

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address  Leonard M. Shulman - Bar No. 126349 Lynda T. Bui - Bar No. 201002 Brandon J. Iskander – Bar No. 300916 SHULMAN HODGES & BASTIAN LLP 100 Spectrum Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400 Facsimile: (949) 340-3000   <input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Karl T. Anderson, Chapter 7 Trustee	FOR COURT USE ONLY
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<b>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION</b>	
In re:  GRISELDA RIOS,       Debtor(s).	CASE NO.: 6:15-bk-16505-WJ CHAPTER: 7   <div style="text-align: center; padding: 20px;"> <b>NOTICE OF SALE OF ESTATE PROPERTY</b> </div>

<b>Sale Date:</b> 4/10/2018	<b>Time:</b> 1:00 p.m.
<b>Location:</b> Courtroom 304, U.S. Bankruptcy Court, 3420 Twelfth Street, Riverside, CA 92501	

**Type of Sale:** ☒ Public ☐ Private **Last date to file objections:** 3/27/2018

**Description of property to be sold:** Real property located at 14805 Ceres Avenue, Fontana, California

**Terms and conditions of sale:** See attached Statement of Information in Compliance with LBR 6004-1(c)(3).

**Proposed sale price:** \$285,000.00, subject to overbids

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

**Overbid procedure (if any):** Initial overbid of \$290,000.00, minimum bid increments thereafter shall be \$1,000.00

Overbids must be in writing and received by the Trustee and his counsel on or before 4/3/2018.

Certified funds of at 3% of the overbid purchase price must be delivered. (See attached).

**If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:**

4/10/2018 at 1:00 p.m. (known liens will be paid through escrow on the sale transaction.)

United States Bankruptcy Court

Courtroom 304

3420 Twelfth Street

Riverside, CA 92501

**Contact person for potential bidders (include name, address, telephone, fax and/or email address):**

Brandon J. Iskander, Esq.

Shulman Hodges & Bastian LLP

100 Spectrum Center Drive Suite 600

Irvine, CA 92618

Telephone: (949) 340-3400

Facsimile: (949) 340-3000

Email: biskander@shbllp.com

Date: 03/19/2018

Debtor(s).

3. **Your rights may be affected.** You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)

4. **Deadline for Opposition Papers:** This Motion is being heard on regular notice pursuant to LBR 9013-1. If you wish to oppose this Motion, you must file a written response with the court and serve a copy of it upon the Movant or Movant's attorney at the address set forth above no less than fourteen (14) days prior to the above hearing date. If you fail to file a written response to this Motion within such time period, the court may treat such failure as a waiver of your right to oppose the Motion and may grant the requested relief.
5. **Hearing Date Obtained Pursuant to Judge's Self-Calendaring Procedure:** The undersigned hereby verifies that the above hearing date and time were available for this type of Motion according to the judge's self-calendaring procedures.

Date: 03/19/2018

SHULMAN HODGES & BASTIAN LLP  
Printed name of law firm

/s/ Brandon J. Iskander  
Signature

Brandon J. Iskander  
Printed name of attorney

**Attachments:**

- (1) Statement of Information**
- (2) Sale Motion**
- (3) Proof of Service**

**Statement of Information in Compliance with LBR 6004-1(c)(3)**

<b><u>LBR 6004-1(c)(3) Requirement</u></b>	<b><u>Information</u></b>
<i>LBR 6004-1(c)(3)(A)</i> Date, Time, and Place of hearing on the proposed sale:	Hearing Date and Time: April 10, 2018 at 1:00 p.m. Hearing Place: U.S. Bankruptcy Court, Courtroom 304 3420 Twelfth Street, Riverside, CA 92501
<i>LBR 6004-1(c)(3)(B)</i> Name and address of the proposed buyer:	Eddie Arreola, 1100 E. Badillo Street, Apt A, Covina, CA 91724-3004
<i>LBR 6004-1(c)(3)(C)</i> Description of the property to be sold:	Real property located at: 14805 Ceres Avenue, Fontana, California ("Property")
<i>LBR 6004-1(c)(3)(D)</i> Terms and conditions of the proposed sale, including the price and all contingencies:	The Buyer has offered \$285,000.00, subject overbid. The Buyer is paying all cash and is purchasing the Property "AS IS" without warranties of any kind, expressed or implied, being given by the Trustee, concerning the condition of the Property or the quality of the title thereto, or any other matters relating to the Property.
<i>LBR 6004-1(c)(3)(E)</i> Whether the proposed sale is free and clear of liens, claims or interests, or subject to them, and a description of all such liens, claims or interests:	The sale of the Property shall be free and clear of liens pursuant to Bankruptcy Code §§ 363(b)(1) and 363(f), with any liens and interests against the Property that are not released, paid in full, or otherwise resolved through escrow, if any, to attach to the sale proceeds with the same force, effect, validity, and priority as such liens or interests had with respect to the Property prior to the sale, pending agreement with the lienholder or further Court order. However, outstanding liens will be paid through escrow on the sale transaction. Thus, outstanding liens will be released, discharged and terminated at the close of escrow and the liens will <b>not</b> attach to the sale proceeds. Attached as <b>Exhibit 2</b> to the Declaration of Karl T. Anderson annexed to the attached Sale Motion <sup>1</sup> is a true and copy of a Preliminary Title Report on the Property as of January 24, 2018 which details the liens encumbering the Property.
<i>LBR 6004-1(c)(3)(F)</i> Whether the proposed sale is subject to higher and better bids:	The sale of the Property is subject to the Bidding Procedures set forth in the Sale Motion at pages 4-5.
<i>LBR 6004-1(c)(3)(G)</i> Consideration to be received by the Estate, including estimated commissions, fees and other costs of sale:	Purchase price of \$285,000.00 or an amount as increased by successful overbid. All costs of sale, including escrow fees and real estate commissions will be paid at closing and are estimated to total approximately \$17,700.00 (real estate commission plus 2% of the purchase price). The Estate and the Buyer will each pay their own escrow fees as is customary in the County where the Property is located. Through the sale, after payment of the costs of sale and Debtor's Homestead Exemption Claim of \$100,000.00, the Trustee estimates to generate net proceeds of approximately \$33,540.00.

<sup>1</sup> Attached here is the *Chapter 7 Trustee's Motion for Order: (1) Approving the Sale of Real Property of the Estate Pursuant to Bankruptcy Code §§ 363(b)(1) and 363(b)(f) Subject to Overbids, Combined With Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized; (2) Approving Payment of Real Estate Commission and Other Costs; and (3) Granting Related Relief; and Declarations of Karl T. Anderson and Richard A. Halderman, Jr. in Support ("Sale Motion")*.

<b><u>LBR 6004-1(c)(3) Requirement</u></b>	<b><u>Information</u></b>
<i>LBR 6004-1(c)(3)(H)</i> If authorization is sought to pay commission, the identity of the auctioneer, broker, or sales agent and the amount or percentage of the proposed commission to be paid:	On February 11, 2016, the Court entered an Order granting Chapter 7 trustee's application to employ Richard A. Halderman, Jr. ("Broker") as the Trustee's real estate broker. Under the listing agreement, the Broker is entitled to a commission on the sale in an amount not to exceed 6% of the purchase price to be split between the Trustee's Broker and Selling Broker. (The Buyer's Selling Broker is Coldwell Banker Top Team through its sales agent Daniel Fraijo). The Trustee's Broker and the Selling Broker agreed that the real estate commission to be paid for sale of the Property may be reduced to \$12,000.00 (\$6,000.00 for each broker), with the balance of the Broker's 6% commission (\$5,100.00) to inure to the benefit of the Estate. Escrow fees shall be split between Buyer and the Estate in the manner customary in the County where the Property is located.
<i>LBR 6004-1(c)(3)(I)</i> A description of the estimated or possible tax consequences to the Estate, if known, and how any tax liability generated by the sale of the property will be paid:	The Trustee has not yet hired an accountant but believes the Estate may be entitled to capital gains exclusions because the Property is the Debtor's residence. Accordingly, the Trustee does not expect to pay any capital gains taxes on the sale.
<i>LBR 6004-1(c)(3)(J)</i> Date which objection must be filed and served:	Objections, if any, must be filed and served 14 days prior to the Hearing Date (or by March 27, 2018).

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Attorneys for Karl T. Anderson,  
Chapter 7 Trustee

**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION**

**In re**

**GRISELDA RIOS,**

Debtor.

Case No. 6:15-bk-16505-WJ

Chapter 7

**CHAPTER 7 TRUSTEE'S MOTION FOR  
ORDER:**

**(1) APPROVING THE SALE OF REAL  
PROPERTY OF THE ESTATE FREE AND  
CLEAR OF LIENS PURSUANT TO  
BANKRUPTCY CODE §§ 363(b)(1) AND 363(f),  
SUBJECT TO OVERBIDS, COMBINED WITH  
NOTICE OF BIDDING PROCEDURES AND  
REQUEST FOR APPROVAL OF THE BIDDING  
PROCEDURES UTILIZED;**

**(2) APPROVING PAYMENT OF REAL ESTATE  
COMMISSION AND OTHER COSTS; AND**

**(3) GRANTING RELATED RELIEF;**

**MEMORANDUM OF POINTS AND  
AUTHORITIES AND DECLARATIONS OF  
KARL T. ANDERSON AND RICHARD A.  
HALDERMAN, JR. IN SUPPORT**

**Real Property located at:  
14805 Ceres Avenue, Fontana, California**

**Hearing Date:**

Date: April 10, 2018

Time: 1:00 p.m.

Place: Courtroom 304

3420 Twelfth Street  
Riverside, CA 92501



1 **TO THE HONORABLE WAYNE E. JOHNSON, UNITED STATES BANKRUPTCY**  
2 **JUDGE, THE DEBTOR AND HER COUNSEL, THE OFFICE OF THE UNITED STATES**  
3 **TRUSTEE, AND OTHER PARTIES-IN-INTEREST:**

4 Karl T. Anderson, solely in his capacity as the Chapter 7 Trustee (“Trustee”) for the  
5 bankruptcy estate (“Estate”) of Griselda Rios (“Debtor”), brings this *Motion for Order: (1)*  
6 *Approving the Sale of Real Property of the Estate Free and Clear of Certain Liens Pursuant to*  
7 *Bankruptcy Code §§ 363(b)(1) and 363(f), Subject to Overbids, Combined With Notice of Bidding*  
8 *Procedures and Request for Approval of the Bidding Procedures Utilized; (2) Approving Payment*  
9 *of Real Estate Commission; and (3) Granting Related Relief* (“Sale Motion”), and respectfully  
10 represents as follows:

11 **I. BACKGROUND**

12 **A. The Bankruptcy Case**

13 The Debtor filed a chapter 7 bankruptcy petition on June 26, 2015 (“Petition Date”), in the  
14 United States Bankruptcy Court, Central District of California, Case No. 6:15-bk-16505-WJ.

15 The deadline for filing claims in this case was December 28, 2015. Government claims  
16 were due by December 23, 2015. Currently, the Court’s Claims Register indicates seven general  
17 unsecured claims have been filed totaling \$22,119.78.

18 **B. The Property**

19 The Debtor listed her ownership of the real property located at 14805 Ceres Avenue,  
20 Fontana, California (“Property”) on her Schedule A. The Debtor also (i) valued the Property at  
21 \$263,000.00, (ii) listed a first priority lender lien of \$114,778.00 in favor of PNC Bank Mortgage  
22 Services and second priority lender lien of \$25,091.00 in favor of Bank of America, for total liens  
23 of \$139,869.00, and (iii) claimed an exemption against the Property of \$100,000.00 under C.C.P.  
24 §704.730(a)(2). Attached as **Exhibit 1** to the Declaration of Karl T. Anderson (“Anderson  
25 Declaration”) are true and correct copies of the Debtor’s Schedules A, B, C (including Amended  
26 C) and D.

1 The Trustee is advised that as of December 31, 2017, the amounts owed on the lender liens  
2 were approximately \$108,000 as to PNC Bank Mortgage Services and \$25,000.00 as to Bank of  
3 America.

4 Attached as **Exhibit 2** to the Anderson Declaration is a true and copy of a Preliminary  
5 Title Report on the Property as of January 24, 2018, which details the liens encumbering the  
6 Property.

7 **C. Broker Employment, Marketing Efforts and Basis for Value of the Property**

8 The application to employ Richard A. Halderman, Jr., as the Trustee's real estate broker  
9 ("Broker") for the Property was filed with the Court on October 13, 2015 (docket 19), and was  
10 approved by Court order entered on February 11, 2016 (docket 36). The listing agreement with the  
11 Broker provides for a real estate commission to be paid in the amount not to exceed six percent of  
12 the sale price. The Trustee's Broker has agreed that the real estate commission to paid from the  
13 sale of the Property may be reduced to \$12,000.00 (\$6,000.00 for the Trustee's Broker and  
14 \$6,000.00 for the Buyer's real estate broker) to provide for a more meaningful distribution to  
15 general unsecured claims in this case. The carve-out of \$5,100.00 will inure to the benefit of the  
16 Estate.

17 The Estate does not have the funds to obtain a formal written appraisal for the estimated  
18 value of the Property. The Broker is experienced in the sale of real property as well as property  
19 valuations and is familiar with valuing real property in today's economic environment. The  
20 Broker viewed the Property and believed that it had a fair market value that supported a list price  
21 of \$295,000.00. The listing price was determined on comparable sales of similar properties in the  
22 area and the condition of the Property.

23 The Property has been on the market for over two years. During that time, the Broker has  
24 been contacted by multiple potential buyers and received at least seven offers. The offers ranged  
25 between \$206,250.00 and \$270,000.00, and one higher offer of \$285,000.00 that was later  
26 cancelled by the potential buyer. The Buyer's (defined below) offer is the result of negotiations  
27 between the Trustee and the Buyer for the highest and best offer.

1 The Trustee believes that the proposed sale, subject to overbids, will be at fair market  
2 value. Given that the sale is subject to overbids, it is anticipated the Trustee will receive the best  
3 and highest value for the Property and the proposed sale price is fair and reasonable.

4 The Trustee has not yet hired an accountant but given that the Property had been the  
5 Debtor's residence, the Estate may be entitled to capital gains exclusions such that the Trustee  
6 does not expect to pay any capital gains taxes on the sale.

7 **D. Terms of Sale**

8 Eddie Arreola ("Buyer") has offered to purchase the Property for \$285,000, subject to  
9 overbids. Attached as **Exhibit 3** to the Anderson Declaration is a true and correct copy of the  
10 Residential Purchase Agreement and Joint Escrow Instructions and related addendum (collectively  
11 the "Agreement"). Through the Sale Motion, the Trustee seeks a Court order authorizing the sale  
12 of the Property free and clear of liens, on an "as-is" where is condition with no representation and  
13 warranties, and subject to overbids.

14 **E. Approval of the Bidding Procedures.**

15 The Trustee has determined that it would benefit the Estate to permit all interested parties  
16 to receive information and bid for the Property instead of selling the Property to the Buyer on an  
17 exclusive basis. Accordingly, in order to obtain the highest and best offer for the benefit of the  
18 creditors of this Estate, the Trustee is utilizing and also seeks Court approval of the following  
19 bidding procedures ("Bidding Procedures"):

20  
21 1. Potential bidders must bid an initial amount of at least \$5,000 over the Purchase  
22 Price, or \$290,000.00. Minimum bid increments thereafter shall be \$1,000. The Trustee shall  
23 have sole discretion in determining which overbid is the best for the Estate and will seek approval  
24 from the Court of the same.

25 2. Bids must be in writing and be received by the Trustee on or before **5:00 p.m.**  
26 **(California time) on April 3, 2018 (seven days prior to the hearing on the Sale Motion).** Bids  
27 must be accompanied by certified funds in an amount equal to 3% of the overbid purchase price.

28 3. The bidder must also provide evidence of having sufficient specifically-committed  
funds to complete the transaction or a lending commitment for the bid amount and such other  
documentation relevant to the bidder's ability to qualify as the purchaser of Property and ability to  
close the sale and immediately and unconditionally pay the winning bid purchase price at closing.

4. The bidder must seek to acquire the Property on terms and conditions not less  
favorable to the Estate than the terms and conditions to which the Buyer has agreed to purchase

1 the Property as set forth in the Agreement with the Buyer including no contingencies and closing  
2 on the sale in the same time parameters as the Buyer.

3 5. All competing bids must acknowledge that the Property is being sold on an “AS  
4 IS” basis without warranties of any kind, expressed or implied, being given by the Seller,  
5 concerning the condition of the Property or the quality of the title thereto, or any other matters  
6 relating to the Property. The competing bid buyer must represent and warrant that he/she is  
7 purchasing the Property as a result of their own investigations and are not buying the Property  
8 pursuant to any representation made by any broker, agent, accountant, attorney or employee acting  
9 at the direction, or on the behalf of the Seller. The competing bidder must acknowledge that  
10 he/she has inspected the Property, and upon closing of Escrow governed by the Agreement, the  
11 Buyer forever waives, for himself/herself, their heirs, successors and assigns, all claims against the  
12 Debtors, their attorneys, agents and employees, the Debtor’s Estate, Karl T. Anderson as Trustee  
13 and individually, and the accounting firm of which he is associated, the Trustee’s counsel,  
14 Shulman Hodges & Bastian LLP, his agents and employees, arising or which might otherwise  
15 arise in the future concerning the Property.

16 6. If overbids are received, the final bidding round shall be held at the hearing on the  
17 Sale Motion (**April 10, 2018 at 1:00 p.m., California Time, at the U.S. Bankruptcy Court,**  
18 **Courtroom 304, 3420 Twelfth Street, Riverside, California 92501**), or if rescheduled, upon  
19 telephonic notice to the Buyer and the parties having submitted overbids in order to allow all  
20 potential bidders the opportunity to overbid and purchase the Property. At the final bidding round,  
21 the Trustee in the exercise of her business judgment and subject to Court approval, accept the  
22 bidder who has made the highest and best offer to purchase the Property, consistent with the  
23 Bidding Procedures (“Successful Bidder”).

24 7. At the hearing on the Sale Motion, the Trustee will seek entry of an order, *inter*  
25 *alia*, authorizing and approving the sale of the Property to the Successful Bidder. The hearing on  
26 the Sale Motion may be adjourned or rescheduled without notice other than by an announcement  
27 of the adjourned date at the hearing on the Sale Motion.

28 8. In the event the Successful Bidder fails to close on the sale of the Property within  
the time parameters approved by the Court, the Trustee shall retain the Successful Bidder’s  
Deposit and will be released from the obligation to sell the Property to the Successful Bidder and  
the Trustee may then sell the Property to the First Back-Up Bidder approved by the Court.

9. In the event First Back-Up Bidder fails to close on the sale of the Property within  
the time parameters approved by the Court, the Trustee shall retain the First Back-Up Bidder’s  
Deposit and will be released from his obligation to sell the Property to the First Back-Up Bidder  
and the Trustee may then sell the Property to the Second Back-Up Bidder approved by the Court.

The Bidding Procedures will be provided to all creditors and any potential bidders or  
parties who have shown an interest in the Property. A Notice of Sale of Estate Property will be  
filed with the Court for posting on the Court’s website under the link “Current Notices of Sales,”  
which affords notice to additional potential interested parties. The Broker will update the Multiple  
Listing Service to reflect the Bidding Procedures. Based on this, the Trustee believes that under  
the circumstances of this case, the Property will have been appropriately marketed for bidding.

**II. ARGUMENT**

**A. There is a Good Business Reason for the Sale and the Sale is in the Best Interest of the Estate.<sup>1</sup>**

The duties of a trustee in a Chapter 7 filing are enumerated in 11 U.S.C. § 704, which provides in relevant part as follows:

(a) The trustee shall—

(1) collect and reduce to money the property of the estate for which such trustee serves, and close such estate as expeditiously as is compatible with the best interests of parties in interest;

(2) be accountable for all property received;

11 U.S.C. §704(a).

Further, the Trustee, after notice and hearing, may sell property of the estate. 11 U.S.C. § 363(b). Courts ordinarily will approve a proposed sale if there is a good business reason for the sale and the sale is in the best interests of the estate. *In re Wilde Horse Enterprises, Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); *In re Lionel Corp.*, 722 F.2d 1063, 1069 (2d Cir. 1983). In this case, the sale is anticipated to net the Estate \$33,540.00 (amounts are estimated):

Sale Price (or an amount as increased by overbid)	\$285,000.00
Less real estate commission (total of \$12,000.00) and costs of sale (estimated at 2%)	(\$17,700.00)
Commission carve-out to the Estate	(\$5,100.00)
Less property taxes (pro-rata) (estimated)	(\$760.00)
Less payoff to the first trust deed holder, PNC Bank Mortgage Services (estimated)	(\$108,000.00)
Less payoff to the second trust deed holder, Bank of America (estimated)	(\$25,000.00)
Less Debtor's Homestead Exemption Claim	(\$100,000.00)
Estimated net sale proceeds (including the \$5,100.00 commission carve-out).	\$33,540.00

The Trustee believes that from the net sale proceeds, he will be able to make a meaningful distribution to unsecured creditors in this case.

<sup>1</sup> Although Local Bankruptcy Rule 6004-1(c)(2)(C) does not require that a memorandum of points and authorities be filed in support of the Motion, the Trustee is nevertheless submitting one.

**B. The Proposed Sale Should be Allowed Free and Clear of Liens.**

Bankruptcy Code Section 363(f) allows a trustee to sell property of the bankruptcy estate “free and clear of any interest in such property of an entity,” if any one of the following five conditions is met:

- (1) applicable non-bankruptcy law permits a sale of such property free and clear of such interest;
- (2) such entity consents;
- (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (4) such interest is in bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept money satisfaction of such interest.

11 U.S.C. § 363(f).

Section 363(f) is written in the disjunctive and thus only one of the enumerated conditions needs to be satisfied for Court approval to be appropriate. The Trustee proposes to sell under sections 363(f)(2), 363(f)(3) and 363(f)(4).

**1. Section 363(f)(2) (Consent) and Section 363(f)(3) (Price Greater than Value)**

The sale of the Property is proper pursuant to Sections 363(f)(2) and 363(f)(3). The sale price is for a sum that is greater than the aggregate value of the non-disputed liens listed in the Title Report. With respect to the liens of PNC Bank Mortgage Services and Bank of America, each will be paid through escrow on the sale in the amount consented to by the lenders. Based on their consent to the sale, the Trustee will have satisfied Section 363(f)(2).

**2. Section 363(f)(4) – Bona Fide Dispute.**

A bona fide dispute has been defined by *In re Atwood*, 124 B.R. 402 (Bankr. S.D. Ga. 1991) as a “genuine issue of material fact that bears upon the debtor’s liability, or meritorious contention as to the application of law to undisputed facts.” *Id.* at 407. In *In re Milford Group, Inc.*, 150 B.R. 904 (Bankr. M.D. Pa. 1992), the court stated it need not resolve a bona fide dispute, but must determine whether the issues presented are genuine as to the existence of a bona fide dispute. In doing so, the court in *Milford* found that the debtor had met its burden to establish

1 cause for the court to allow for the sale of the property, free and clear of liens. Requiring  
2 resolution of those issues before the sale of the Property may likely take substantial time, effort  
3 and expense by the parties.

4 Out of an abundance of caution, to the extent there are unresolved liens at closing, the  
5 Trustee proposes to sell under section 363(f)(4), as unresolved liens and interests against the  
6 Property, if any, will be disputed by the Trustee and shall attach to the sale proceeds with the same  
7 force, effect, validity, and priority as such liens or interests had with respect to the Property prior  
8 to the sale.

9 **C. The Court has Authority to Waive the Fourteen-Day Stay of Sale.**

10 Federal Rule of Bankruptcy Procedure 6004(h) provides that “[a]n order authorizing the  
11 use, sale or lease of property other than cash collateral is stayed until the expiration of 14 days  
12 after entry of the order, unless the Court orders otherwise.” Fed. Rule Bankr. P. 6004(h). The  
13 Trustee desires to close the sale of the Property as soon as practicable after entry of an order  
14 approving the sale. Accordingly, the Trustee requests that the Court, in the discretion provided it  
15 under Federal Rule of Bankruptcy Procedure 6004(h), waive the fourteen-day stay requirement.

16 **D. The Debtor is Required to Turn Over all Assets of the Bankruptcy Estate**

17 Bankruptcy Code Section 542(a) provides that:

18 Except as provided in subsection (c) or (d) of this section, an entity other than a  
19 custodian, in possession, custody, or control during the case, of property that the  
20 trustee may use, sell, or lease under section 363 of this title, or that the debtor may  
21 exempt under section 522 of this title, shall deliver to the trustee, and account for,  
such property or the value of such property, unless such property is of  
inconsequential value or benefit to the estate.

22 11 U.S.C. § 542(a) (2000) (emphasis added).

23 The following must be established in order for the Trustee to prevail in a turnover action:  
24 (1) that the asset in question is property of the debtor’s bankruptcy estate; and (2) that the Trustee  
25 is entitled to use, sell, or lease the assets. See, *In re Sherry & O’Leary, Inc.*, 148 B.R. 248, 256  
26 (Bankr. W.D. Pa. 1992); *see also, In re Weiss-Wolf, Inc.*, 60 B.R. 969, 975 (Bankr. S.D.N.Y.  
27 1986).

1 The Trustee is requesting turnover of the Property, out of an abundance of caution, so that  
2 the Trustee may close on the sale of the Property. The Property is property of the Estate pursuant  
3 to Section 541(a) of the Bankruptcy Code and is property that the Trustee may sell (as requested in  
4 this Sale Motion). Thus, turnover of this asset is appropriate.

5 Accordingly, the Trustee requests that the order approving the sale provides that (i) the  
6 Debtor or any occupants of the Property are to vacate the Property seven (7) days prior to the close  
7 of escrow; (ii) in the event the Debtor or any occupants of the Property fail to immediately vacate,  
8 the Trustee shall be entitled to the issuance of a writ of possession for the Property; and (iii) the  
9 United States Marshal or other appropriate law enforcement officer may enforce such writ.

### 10 **III. CONCLUSION**

11 Based on the reasons set forth above, the Trustee respectfully request submits that good  
12 cause exists for granting the Sale Motion and requests that the Court enter an order as follows:

- 13 1. Approving the Bidding Procedures set forth above.
- 14 2. Authorizing the Trustee to sell the Property on an as-is, where-is basis, with no  
15 expressed or implied warranties, to the Buyer (or Successful Bidder) pursuant to the terms and  
16 conditions of the Agreement attached as **Exhibit 3** to the Anderson Declaration.
- 17 3. Authorizing the sale of the Property free and clear of liens pursuant to Bankruptcy  
18 Code § 363(f), with any liens and interests against the Property that are not released, paid in full,  
19 or otherwise resolved through escrow, if any, to attach to the sale proceeds with the same force,  
20 effect, validity, and priority as such liens or interests had with respect to the Property prior to the  
21 sale, pending agreement with the lienholder or further Court order.
- 22 4. Authorizing the Trustee to sign any and all documents convenient and necessary in  
23 pursuit of the sale, including any and all conveyances contemplated by the Agreement attached as  
24 **Exhibit 3** to the Anderson Declaration.
- 25 5. Approving the payment of the real estate commission in the total amount not to  
26 exceed \$12,000.00, to be split between the Trustee's Broker and the Buyer's broker, with each  
27 receiving \$6,000.00, with the balance of the Broker's 6% commission (\$5,100.00) to inure to the  
28 benefit of the Estate.



6. Authorizing the Trustee to pay the following from the sale proceeds through escrow on the sale of the Property: (i) real property taxes, (ii) the liens of PNC Bank Mortgage Services and Bank of America, (iii) escrow fees and other costs of sale to be split between the Buyer and the Estate in the manner customary in San Bernardino County, California, and (iv) provided that there unencumbered funds available, upon closing of the sale, authorizing the Trustee to pay the Debtor's claim of exemption in the Property in the amount not to exceed \$100,000.00.

7. A determination by the Court that the Buyer is in good faith pursuant to Bankruptcy Code Section 363(m).

8. Waiving the fourteen day stay of the order approving the sale of the Property under Federal Rules of Bankruptcy Procedure 6004(h).

9. So that the Trustee may close on the sale of the Property, ordering that (a) the Debtor or any occupants of the Property are to immediately vacate the Property; (b) in the event the Debtor or any occupants of the Property fail to immediately vacate, the Trustee shall be entitled to the issuance of a writ of possession for the Property; and (c) the United States Marshal or other appropriate law enforcement officer may enforce such writ.

10. For such other and further relief as the Court deems just and proper under the circumstances of this case.

Respectfully submitted,

**SHULMAN HODGES & BASTIAN LLP**

DATED: March 15, 2018

By: /s/ Brandon J. Iskander  
Leonard M. Shulman  
Lynda T. Bui  
Brandon J. Iskander  
Attorneys for Attorneys for Karl T. Anderson,  
Chapter 7 Trustee for the Bankruptcy Estate of  
*In re Griselda Rios*, Case No. 6:15-bk-16505-WJ

# **DECLARATION**

**DECLARATION OF KARL T. ANDERSON**

I, Karl T. Anderson, declare and state as follows:

1. I am the Chapter 7 Trustee for the bankruptcy estate of *In re Griselda Rios* (“Debtor”), Case No. 6:15-bk-16505-WJ. I have personal knowledge of the facts set forth herein and could, if called as a witness, competently testify thereto.

2. I am familiar with the Debtor’s bankruptcy case and make this Declaration in support of my *Motion for Order: (1) Approving the Sale of Real Property of the Estate Free and Clear of Certain Liens Pursuant to Bankruptcy Code §§ 363(b)(1) and 363(f), Subject to Overbids, Combined With Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized; (2) Approving Payment of Real Estate Commission; and (3) Granting Related Relief* (“Sale Motion”). Capitalized terms not otherwise defined herein shall have the meaning set forth in the Sale Motion.

3. Attached here as **Exhibit 1** are true and correct copies of the Debtor’s Schedules A/B, C (including Amended C) and D.

4. Attached here as **Exhibit 2** is true and copy of a Preliminary Title Report on the Property as of January 24, 2018. The Preliminary Title Report identifies the liens and encumbrances against the Property.

5. The application to employ Richard A. Halderman, Jr., as my real estate broker (“Broker”) for the Property was filed with the Court on October 13, 2015 (docket 19), and was approved by Court order entered on February 11, 2016 (docket 36). The listing agreement with the Broker provides for a real estate commission to be paid in the amount not to exceed six percent of the sale price. My Broker has agreed that the real estate commission to paid for sale of the Property may be reduced to \$12,000.00 (\$6,000.00 for my Broker and \$6,000.00 for the Buyer’s real estate broker) in order to provide for a more meaningful distribution to general unsecured claims in this case.

6. The Property has been on the market for over two years. During that time, the Broker procured at least seven offers. The offers ranged between \$206,250.00 and \$270,000.00, and one higher offer of \$285,000.00 that was later cancelled by the potential buyer. The Buyer’s (defined

1 below) offer is the result of negotiations between the Trustee and the Buyer for the highest and  
2 best offer.

3 7. Through my Broker I received an offer from Eddie Arreola ("Buyer") to purchase the  
4 Property for \$285,000.00, subject to overbids. Attached here as **Exhibit 3** are true and correct  
5 copies of the Residential Purchase Agreement and Joint Escrow Instructions and related  
6 addendum. The Buyer's offer is the result of negotiations with the Buyer for the highest and best  
7 offer.


8 8. Given that the sale is subject to overbids, it is anticipated I will receive the best and  
9 highest value for the Property and therefore the proposed sale price is fair and reasonable.

10 9. I have not yet hired an accountant but given that the Property had been the Debtor's  
11 residence, the Estate may be entitled to capital gains exclusions such that I do not expect to pay  
12 any capital gains taxes on the sale.

13 10. For the reasons set forth in the Sale Motion and this Declaration, I believe that good  
14 cause exists to grant the Sale Motion and respectfully request that the Court grant the Sale Motion  
15 so that I do not lose this favorable business opportunity to provide a significant benefit to the  
16 Estate.

17 I declare under penalty of perjury pursuant to the laws of the United States of America that  
18 the foregoing is true and correct.

19 EXECUTED on March 15, 2017 at Palm Springs, California.

20  
21   
22 Karl T. Anderson

# **DECLARATION**

**DECLARATION OF RICHARD A. HALDERMAN, JR.**

I, Richard A. Halderman, Jr., declare and state as follows:

1. I am over the age of eighteen years old and if called upon as witness, I could and would competently testify to the following of my own personal knowledge, information and belief.

2. I make this Declaration in support of the *Motion for Order: (1) Approving the Sale of Real Property of the Estate Free and Clear of Certain Liens Pursuant to Bankruptcy Code §§ 363(b)(1) and 363(f), Subject to Overbids, Combined With Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized; (2) Approving Payment of Real Estate Commission; and (3) Granting Related Relief* (“Sale Motion”) filed by Karl T. Anderson, the Chapter 7 Trustee for the bankruptcy estate of *In re Griselda Rios* (“Debtor”), Case No. 6:15-bk-16505-WJ. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Sale Motion.

3. I am real estate broker licensed under the laws of the State of California. I have 39 years of experience in the sale of real property as well as property valuations and am familiar with valuing real property in today’s economic environment. After conducting an on-site inspection and a review of comparable sales of similar properties, I informed the Trustee that the Property was worth approximately \$295,000.00 and I recommended listing the Property for sale at that amount. The listing price was determined on comparable sales of similar properties in the area and the condition of the Property.

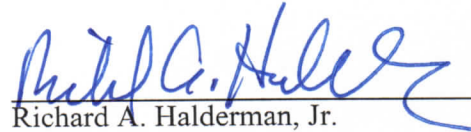
4. The Property has been on the market for over two years. The Property has been advertised in the Multi-Regional Multiple Listing Service, for sale signs were posted at the Property, advertisements were placed in local newspapers and open houses have been conducted. I have been contacted by multiple potential buyers and received at least seven offers for the Property. The offers ranged between \$206,250.00 and \$270,000.00, and one higher offer of \$285,000.00 that was later cancelled by the potential buyer. The Buyer’s offer is the result of negotiations between the Trustee and the Buyer for the highest and best offer.

1           5. I believe that the proposed sale price is fair and reasonable based on comparable sales  
2 of similar properties and the condition of the Property.

3           6. The Trustee's application to employ me as his real estate broker for the Property was  
4 filed with the Court on October 13, 2015 (docket 19), and was approved by Court order entered on  
5 February 11, 2016 (docket 36). The listing agreement for the Property provides for a real estate  
6 commission to be paid in the amount not to exceed six percent of the sale price. The selling  
7 broker is Coldwell Banker Top Team through its sales agent Daniel Fraijo ("Selling Broker").  
8 The Selling Broker and I have agreed that the real estate commission to paid for sale of the  
9 Property may be reduced to \$12,000.00 (\$6,000.00 for each broker), with the balance of the real  
10 estate broker's 6% commission (\$5,100.00) to inure to the benefit of the Estate.

11           I declare under penalty of perjury pursuant to the laws of the United States of America that  
12 the foregoing is true and correct.

13           EXECUTED on March 15, 2017 at Newport Beach, California.

14  
15             
16           Richard A. Halderman, Jr.

**Exhibit 1**

**Schedules A/B, C and D**



IN RE Rios, Griselda

Debtor(s)

Case No. \_\_\_\_\_  
 (If known)

## SCHEDULE A - REAL PROPERTY

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a cotenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor's own benefit. If the debtor is married, state whether the husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor holds no interest in real property, write "None" under "Description and Location of Property."

**Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.**

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write "None" in the column labeled "Amount of Secured Claim."

If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C - Property Claimed as Exempt.

DESCRIPTION AND LOCATION OF PROPERTY	NATURE OF DEBTOR'S INTEREST IN PROPERTY	HUSBAND, WIFE, JOINT, OR COMMUNITY	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION	AMOUNT OF SECURED CLAIM
<b>Debtor's Residence</b> <b>House and land located at 14805 Ceres Avenue, Fontana, California 92335</b> <b>Roof Leaks, Requires \$8,200.00 in repairs.</b>		<b>W</b>	<b>263,000.00</b>	<b>139,869.00</b>

**TOTAL 263,000.00**

# Exhibit 1

(Report also on Summary of Schedules)

IN RE Rios, Griselda

Debtor(s)

Case No. \_\_\_\_\_

(If known)

**SCHEDULE C - PROPERTY CLAIMED AS EXEMPT**Debtor elects the exemptions to which debtor is entitled under:  
(Check one box)☐ Check if debtor claims a homestead exemption that exceeds \$155,675. \*

- ☐ 11 U.S.C. § 522(b)(2)  
☒ 11 U.S.C. § 522(b)(3)

DESCRIPTION OF PROPERTY	SPECIFY LAW PROVIDING EACH EXEMPTION	VALUE OF CLAIMED EXEMPTION	CURRENT VALUE OF PROPERTY WITHOUT DEDUCTING EXEMPTIONS
<b><u>SCHEDULE A - REAL PROPERTY</u></b>			
<b>Debtor's Residence</b> House and land located at 14805 Ceres Avenue, Fontana, California 92335 Roof Leaks, Requires \$8,200.00 in repairs.	CCCP § 704.950	100,000.00	263,000.00
<b><u>SCHEDULE B - PERSONAL PROPERTY</u></b>			
Checking account at Arrowhead Credit Union	CCCP § 704.070	210.00	210.00
Checking Account at Bank of America	CCCP § 704.070	290.00	290.00
Savings Account at Arrowhead Credit Union	CCCP § 704.070	110.00	110.00
Savings Account at Arrowhead Credit Union	CCCP § 704.070	110.00	110.00
Misc. Household Goods	CCCP § 704.020	3,000.00	3,000.00
Misc. Clothing and Wearing Apparel	CCCP § 704.020	1,800.00	1,800.00
San Bernardino County Retirement	CCCP § 704.110(b), Gov. Code § 21201	60,000.00	60,000.00
SB County 457 Plan	CCCP § 704.110(b), Gov. Code § 21201	6,200.00	6,200.00
2000 Nissan Frontier (175,000 miles, very rough condition)	CCCP § 704.010	900.00	1,000.00
2008 Ford Expedition (80,000 miles, Dented, Scratched, Torn Seats, CD Player Doesn't Work)	CCCP § 704.010	2,000.00	8,500.00

**Exhibit 1**

\* Amount subject to adjustment on 4/1/16 and every three years thereafter with respect to cases commenced on or after the date of adjustment.

IN RE Rios, Griselda

Debtor(s)

Case No. \_\_\_\_\_

(If known)

**SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS**

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is the creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H – Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim Without Deducting Value of Collateral" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion, if Any" on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE AND ACCOUNT NUMBER. (See Instructions Above.)	CODEBTOR HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
ACCOUNT NO. <b>75677641</b> <b>Arrowhead CU</b> <b>PO Box 735</b> <b>San Bernardino, CA 92402</b>	<b>C</b>	<b>11/2014</b> <b>Purchase Money Secuirty Interest</b> <b>2008 Ford Expedition</b>  VALUE \$ <b>8,500.00</b>				<b>5,365.00</b>	
ACCOUNT NO. <b>6824903012</b> <b>Bank Of America</b> <b>PO Box 982235</b> <b>El Paso, TX 79998</b>	<b>C</b>	<b>12/2010</b> <b>Second Deed of Trust on Debtor's Residence</b> <b>house and land located at 14805 Ceres Avenue,</b> <b>Fontana, California 92335</b>  VALUE \$ <b>263,000.00</b>				<b>25,091.00</b>	
ACCOUNT NO. <b>603535021055</b> <b>Best Buy/ Citi Bank NA</b> <b>PO Box 6497</b> <b>Sioux Falls, SD 57117</b>	<b>C</b>	<b>12/2014</b> <b>Purchase Money Security Interest</b> <b>2 HP Laptops</b>  VALUE \$ <b>600.00</b>				<b>1,949.00</b>	<b>1,349.00</b>
ACCOUNT NO. <b>433100008</b> <b>PNC Bank Mortgage Services</b> <b>PO Box 1820</b> <b>Dayton, OH 45401</b>	<b>C</b>	<b>12/2011</b> <b>First Deed of Trust on Debtor's Residence</b> <b>House and land located at 14805 Ceres Avenue,</b> <b>Fontana, California 92335</b>  VALUE \$ <b>263,000.00</b>				<b>114,778.00</b>	
Subtotal (Total of this page)						<b>\$ 147,183.00</b>	<b>\$ 1,349.00</b>
Total (Use only on last page)						<b>\$</b>	<b>\$</b>

(Report also on  
Summary of  
Schedules.)

(If applicable, report  
also on Statistical  
Summary of Certain  
Liabilities and Related  
Data.)

1 continuation sheets attached

# Exhibit 1

Attorney or Party Name, Address, Telephone & FAX Nos.,  
State Bar No. & Email Address  
Richard L. Barrett, Esq. SBN 140747  
THE BARRETT LAW OFFICE  
3780 Twelfth Street  
Riverside, California 92501  
Telephone: 951.784.8320  
Facsimile: 951.784.8333

FOR COURT USE ONLY

☐ Individual appearing without attorney  
☒ Attorney for Debtor Griselda Rios

UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION

In re:  
GRISELDA RIOS

CASE NO.: 6:15-bk-16505-wj  
CHAPTER: 7

SUMMARY OF AMENDED SCHEDULES,  
MASTER MAILING LIST,  
AND/OR STATEMENTS  
[LBR 1007-1(c)]

Debtor(s)

A filing fee is required to amend Schedules D or E/F (see Abbreviated Fee Schedule on the Court's website [www.cacb.uscourts.gov](http://www.cacb.uscourts.gov)). A supplemental master mailing list (do not repeat any creditors on the original) is required as an attachment if creditors are being added to the Schedule D or E/F.

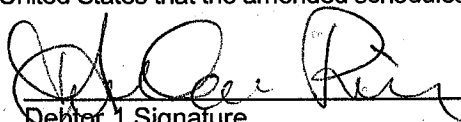
Are one or more creditors being added? ☐ Yes ☒ No

The following schedules, master mailing list or statements (check all that apply) are being amended:

- ☒ Schedule A/B ☒ Schedule C ☐ Schedule D ☐ Schedule E/F ☐ Schedule G  
☐ Schedule H ☐ Schedule I ☐ Schedule J ☐ Schedule J-2 ☐ Statement of Financial Affairs  
☐ Statement About Your Social Security Numbers ☐ Statement of Intention ☐ Master Mailing List  
☐ Other (specify) \_\_\_\_\_

I/we declare under penalty of perjury under the laws of the United States that the amended schedules, master mailing list, and or statements are true and correct.

Date: 02/23/2016

  
Debtor 1 Signature

Debtor 2 (Joint Debtor) Signature (if applicable)

**NOTE:** It is the responsibility of the Debtor, or the Debtor's attorney, to serve copies of all amendments on all creditors listed in this Summary of Amended Schedules, Master Mailing List, and/or Statements, and to complete and file the attached Proof of Service of Document.

**Exhibit 1**

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California

Fill in this information to identify your case:

Debtor 1	<b>Griselda Rios</b>		
	First Name	Middle Name	Last Name
Debtor 2 (Spouse if, filing)			
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the: <u>CENTRAL DISTRICT OF CALIFORNIA</u>			
Case number (if known)	<u>6:15-bk16505-WJ</u>		

☒ Check if this is an amended filing

## Official Form 106C

**Schedule C: The Property You Claim as Exempt**

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. Using the property you listed on *Schedule A/B: Property* (Official Form 106A/B) as your source, list the property that you claim as exempt. If more space is needed, fill out and attach to this page as many copies of *Part 2: Additional Page* as necessary. On the top of any additional pages, write your name and case number (if known).

For each item of property you claim as exempt, you must specify the amount of the exemption you claim. One way of doing so is to state a specific dollar amount as exempt. Alternatively, you may claim the full fair market value of the property being exempted up to the amount of any applicable statutory limit. Some exemptions—such as those for health aids, rights to receive certain benefits, and tax-exempt retirement funds—may be unlimited in dollar amount. However, if you claim an exemption of 100% of fair market value under a law that limits the exemption to a particular dollar amount and the value of the property is determined to exceed that amount, your exemption would be limited to the applicable statutory amount.

**Part 1: Identify the Property You Claim as Exempt**

1. Which set of exemptions are you claiming? Check one only, even if your spouse is filing with you.

☒ You are claiming state and federal nonbankruptcy exemptions. 11 U.S.C. § 522(b)(3)

☐ You are claiming federal exemptions. 11 U.S.C. § 522(b)(2)
2. For any property you list on *Schedule A/B* that you claim as exempt, fill in the information below.

Brief description of the property and line on Schedule A/B that lists this property	Current value of the portion you own Copy the value from Schedule A/B	Amount of the exemption you claim Check only one box for each exemption	Specific laws that allow exemption
14805 Ceres Avenue Fontana CA, 92335 County : San Bernardino Line from Schedule A/B: 1.1	\$263,000.00	<input checked="" type="checkbox"/> \$100,000.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	CCCP § 704.730(a)(2)
2008 Ford Expedition (80,000 miles, Dented, Scratched, Torn Seats, CD Player Doe Line from Schedule A/B: 3.1	\$8,500.00	<input checked="" type="checkbox"/> \$2,000.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	CCCP § 704.010
2000 Nissan Frontier (175,000 miles, very rough condition) Line from Schedule A/B: 3.2	\$1,000.00	<input checked="" type="checkbox"/> \$900.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	CCCP § 704.010
Misc. Household Goods Line from Schedule A/B: 6.1	\$3,000.00	<input checked="" type="checkbox"/> \$3,000.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	CCCP § 704.020
Misc. Clothing and Wearing Apparel Line from Schedule A/B: 11.1	\$1,800.00	<input checked="" type="checkbox"/> \$1,800.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	CCCP § 704.020

**3. Are you claiming a homestead exemption of more than \$155,675?**

(Subject to adjustment on 4/01/16 and every 3 years after that for cases filed on or after the date of adjustment.)

☒ No☐ Yes. Did you acquire the property covered by the exemption within 1,215 days before you filed this case?☐ No☐ Yes

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
3780 Twelfth Street  
Riverside, California 92501

A true and correct copy of the foregoing document entitled (*specify*): **SUMMARY OF AMENDED SCHEDULES, MASTER MAILING LIST, AND/OR STATEMENTS [LBR 1007-1(c)]** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) 02/23/2016, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

United States Trustee (RS)    ustpreion16.rs.ecf@usdoj.gov  
Karl T Anderson (TR)        edansie@hotmail.com

☐ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:** On (date) \_\_\_\_\_, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) 02/23/2016, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

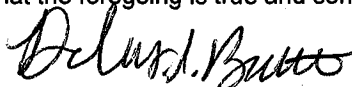
Honorable Wayne E. Johnson  
United States Bankruptcy Court  
3420 Twelfth Street, Suite 384 / Courtroom 304  
Riverside, CA 92501-3819

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

02/23/2016  
Date

Delaney L. Barrett  
Printed Name

  
Signature

# **Exhibit 2**

## **Title Report**



**CLTA Preliminary Report Form**  
(Rev. 11/06)

Order Number: O-SA-5630309  
Page Number: 1



*First American Title*

## **First American Title Company**

**4 First American Way  
Santa Ana, CA 92707**

California Department of Insurance License No. 151

Lori Brown  
Ambergate Escrow  
7344 Magnolia Avenue Suite 110  
Riverside, CA 92504

Phone:

Fax:

Customer Reference:

5388-LJB

Order Number:

O-SA-5630309 (dt)

Title Officer:

Debbie Tognetti

Phone:

(714)250-8579

Fax No.:

(714)481-2956

E-Mail:

FAHQ-RA-octitle3@firstam.com

Buyer:

Arreola

Property:

14805 Ceres Avenue  
Fontana, CA 92336

### **PRELIMINARY REPORT**

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.**

**It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.**

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

## **Exhibit 2**

*First American Title*

Page 1 of 13

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Dated as of January 24, 2018 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

ALTA/CLTA Homeowner's (EAGLE) Policy of Title Insurance (2013) and ALTA Ext Loan Policy 1056.06 (06-17-06) if the land described is an improved residential lot or condominium unit on which there is located a one-to-four family residence; or ALTA Standard Owner's Policy 2006 (WRE 06-17-06) and the ALTA Loan Policy 2006 (06-17-06) if the land described is an unimproved residential lot or condominium unit

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

Griselda Rios an unmarried woman, subject to proceedings pending in the Bankruptcy Court of the Central District of the U. S. District Court, California, entitled in re: Griselda Rios, debtor, Case No. 6:15-bk-16505-WJ, wherein a petition for relief was filed on June 26, 2015

The estate or interest in the land hereinafter described or referred to covered by this Report is:

FEE

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2018-2019, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2017-2018.

First Installment:	\$752.25, PAID
Penalty:	\$0.00
Second Installment:	\$752.22, OPEN
Penalty:	\$0.00
Tax Rate Area:	074032
A. P. No.:	0231-092-28
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

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4. BUILDING RESTRICTIONS, RESERVATION OF RIGHTS OF WAY FOR PIPE LINES AND WATER CONDUITS AND RIGHTS OF WAY FOR PUBLIC UTILITIES, AS SET FORTH IN THE DEED FROM FONTANA LAND COMPANY TO DAVID ALEXANDER MILLS, ET UX., RECORDED MARCH 19, 1929 IN BOOK 478, PAGE(S) 244, OF OFFICIAL RECORDS.
5. A deed of trust to secure an original indebtedness of \$25,000.00 recorded January 12, 2011 as INSTRUMENT NO. 11-15391 OF OFFICIAL RECORDS.  
Dated: December 27, 2010  
Trustor: GRISELDA RIOS  
Trustee: PRLAP, INC.  
Beneficiary: BANK OF AMERICA, N.A.

The above deed of trust states that it secures an equity line/revolving line of credit. Prior to the payment and suspension of the equity line/revolving line of credit, an instruction to suspend and close the equity line/revolving line of credit pursuant to CA Civil Code Section 2943.1 must be executed by the borrower.

A document recorded December 27, 2011 as INSTRUMENT NO. 11-546398 OF OFFICIAL RECORDS provides that the lien or charge of the deed of trust was subordinated to the lien or charge of the deed of trust recorded December 27, 2011 as INSTRUMENT NO. 11-546397 OF OFFICIAL RECORDS.

6. A deed of trust to secure an original indebtedness of \$122,500.00 recorded December 27, 2011 as INSTRUMENT NO. 11-546397 OF OFFICIAL RECORDS.  
Dated: December 19, 2011  
Trustor: GRISELDA RIOS, AN UNMARRIED WOMAN  
Trustee: TITLE ONE SOLUTIONS  
Beneficiary: MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC.  
LENDER: FARMERS BANK & TRUST, N.A.

According to the public records, the beneficial interest under the deed of trust was assigned to PNC BANK, N.A. by assignment recorded July 27, 2015 as INSTRUMENT NO. 15-318109 OF OFFICIAL RECORDS.

7. Proceedings pending in the Bankruptcy Court of the CENTRAL District of the U.S. District Court, California, entitled in re: GRISELDA RIOS, debtor, Case No. 6:15-BK-16505-WJ, wherein a petition for relief was filed under Chapter 7 on June 26, 2015.
8. Any defects, liens, encumbrances or other matters which name parties with the same or similar names as GRISELDA RIOS. The name search necessary to ascertain the existence of such matters has not been completed. In order to complete this preliminary report or commitment, we will require a statement of information.
9. Water rights, claims or title to water, whether or not shown by the public records.

## Exhibit 2

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#### INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. This report is preparatory to the issuance of an ALTA Loan Policy. We have no knowledge of any fact which would preclude the issuance of the policy with CLTA endorsement forms 100 and 116 and if applicable, 115 and 116.2 attached.

When issued, the CLTA endorsement form 116 or 116.2, if applicable will reference a(n) Single Family Residence known as 14805 CERES AVENUE, FONTANA, CA.

2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None

NOTE to proposed insured lender only: No Private transfer fee covenant, as defined in Federal Housing Finance Agency Final Rule 12 CFR Part 1228, that was created and first appears in the Public Records on or after February 8, 2011, encumbers the Title except as follows: None

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

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### **LEGAL DESCRIPTION**

Real property in the unincorporated area of the County of San Bernardino, State of California, described as follows:

THE WESTERLY ONE-QUARTER OF THE FOLLOWING DESCRIBED PARCEL:

THE WEST 2.535 ACRES OF THE EAST 5.005 ACRES OF THE SOUTH 9.97 ACRES OF LOT 447, TRACT NO. 2102, FONTANA ARROW ROUTE TRACT, AS PER PLAT RECORDED IN BOOK 31 OF MAPS, PAGE(S) 11 TO 15, INCLUSIVE RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THE SOUTH 175 FEET THEREOF.

ALSO EXCEPTING THEREFROM THE EAST 60 FEET THEREOF LYING NORTH OF THE SOUTH 175 FEET.

ALSO EXCEPTING THEREFROM THE NORTH 10 FEET FOR ROAD PURPOSES.

AREA AND DISTANCES COMPUTED TO STREET CENTERS.

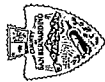
APN: 0231-092-28

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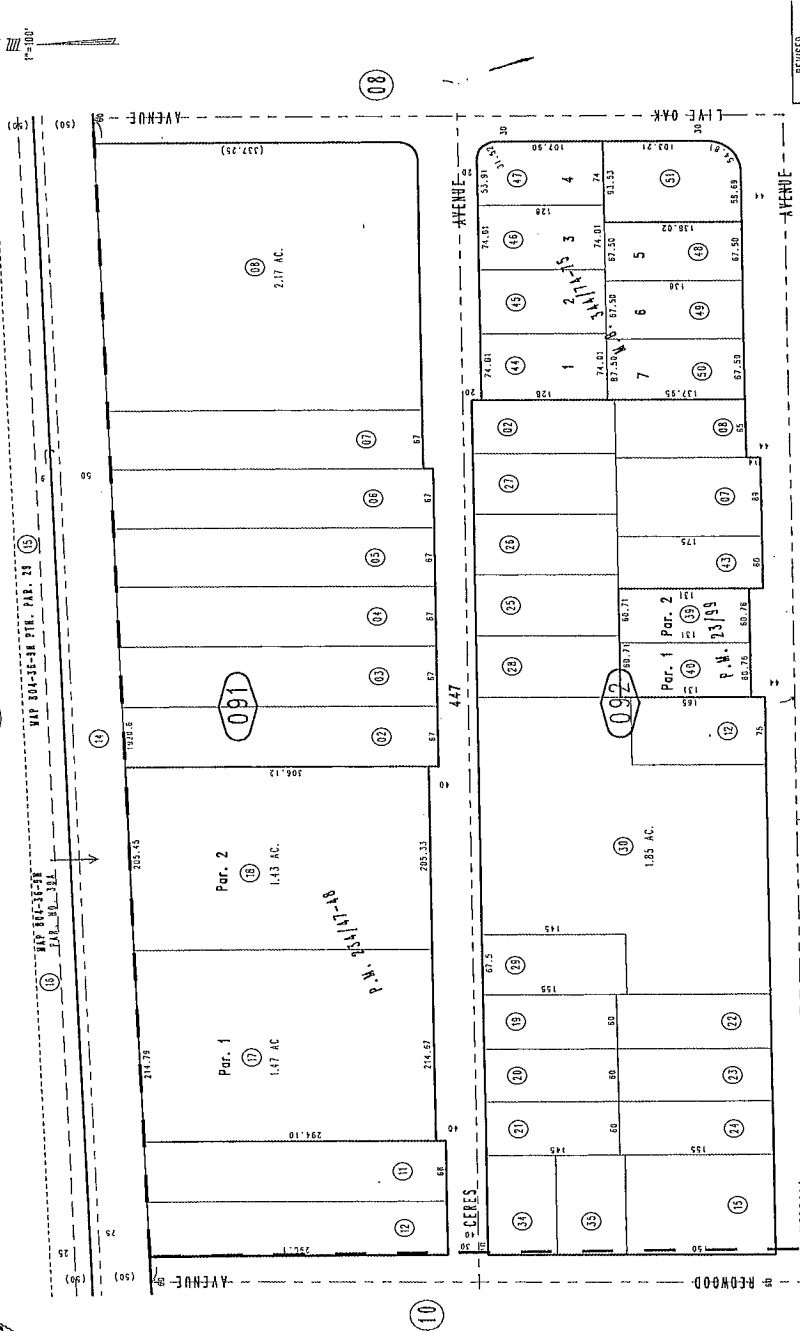
Ptn. Fontana Arrow Route Tract No. 2102  
M.B. 31/11-15

City of Fontana  
Tax Rate Area  
74032

THIS MAP IS FOR THE PURPOSE  
OF AN ALTERNATIVE TAXATION ONLY.



0230  
15



REVISED  
08/27/16 PM

Assessor's Map  
Book 0231 Page 09  
San Bernardino County

Ptn. S.W. 1/4, Sec. 11  
T.1S., R.6W.

Tract No. 18938, M.B. 344/74-75  
Parcel Map No. 19128, P.M. 234/47-48  
Parcel Map No. 1897, P.M. 23/99

January 2004

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***NOTICE***

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

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**EXHIBIT A**  
**LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)**

**CLTA STANDARD COVERAGE POLICY – 1990**  
**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)**  
**EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
  - a. building;
  - b. zoning;
  - c. land use;

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- d. Improvements on the Land;
  - e. land division; and
  - f. environmental protection.
- This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
- 2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
  - 3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
  - 4. Risks:
    - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
    - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
    - c. that result in no loss to You; or
    - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
  - 5. Failure to pay value for Your Title.
  - 6. Lack of a right:
    - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
    - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
  - 7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
  - 8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
  - 9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

#### LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:  
For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.  
The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$10,000
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 19:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 21:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$5,000

#### 2006 ALTA LOAN POLICY (06-17-06)

##### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

- 1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- 2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- 3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

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- (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
  5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
  6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
    - (a) a fraudulent conveyance or fraudulent transfer, or
    - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
  7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

#### EXCEPTIONS FROM COVERAGE

[Except as provided in Schedule B - Part II, [t] or [T] his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

##### [PART I

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

##### PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:]

#### 2006 ALTA OWNER'S POLICY (06-17-06)

##### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

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- (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 or 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
- (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

#### EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of: [The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

#### ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)

##### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the

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- Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
  8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
  9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
    - (a) a fraudulent conveyance or fraudulent transfer, or
    - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
  10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
  11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

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### Privacy Information

#### We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

#### Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

#### Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

#### Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

#### Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

#### Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

#### Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

#### Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

#### Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

[FirstAm.com](http://FirstAm.com) uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

#### Fair Information Values

**Fairness** We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

**Public Record** We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

**Use** We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

**Accuracy** We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

**Education** We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

**Security** We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

Form 50-PRIVACY (9/1/10)

Page 1 of 1

Privacy Information (2001-2010 First American Financial Corporation)

## Exhibit 2

First American Title

Page 13 of 13

# **Exhibit 3**

## **Purchase Agreement**



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

SELLER COUNTER OFFER No. one  
May not be used as a multiple counter offer.  
(C.A.R. Form SCO, 11/14)

In re Rios, Griselda Chapter 7 Bk. #6:15-16505 WJ

Date January 22, 2018

This is a counter offer to the: ☒ California Residential Purchase Agreement, ☐ Buyer Counter Offer No. \_\_\_\_\_, or ☐ Other \_\_\_\_\_ ("Offer"),  
dated January 13, 2018 on property known as 14805 Ceres Ave., Fontana, CA 92335 ("Property"),  
between Eddie Arreola ("Buyer") and Karl Anderson, Chap. 7 Trustee ("Seller").

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
- A. Paragraphs in the Offer that require initials by all parties, but are not initiated by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.
  - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
  - C. OTHER TERMS: 1. Purchase price to be \$285,000.  
2. Property is being purchased in AS IS condition with no expressed/implied warranty.  
3. Sale subject to Bankruptcy Court approval and overbid.  
4. Escrow to be with Ambergate Escrow, Riverside. Title insurance with First American.  
5. Seller will provide termite report but no remediation.
  - D. The following attached addenda are incorporated into this Seller Counter offer: ☐ Addendum No. \_\_\_\_\_  
☐ \_\_\_\_\_
2. EXPIRATION: This Seller Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:
- A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 3 (if more than one signature then, the last signature date)(or by ☐ AM ☐ PM on \_\_\_\_\_ (date)) (i) it is signed in paragraph 4 by Buyer and (ii) a copy of the signed Seller Counter Offer is personally received by Seller or Richard Halderman Jr. who is authorized to receive it.
- OR B. If Seller withdraws it in writing (CAR Form WOO) anytime prior to Acceptance.

3. OFFER: SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY  
Seller Karl Anderson, Chapter 7 Trustee Date 1/23/2018

4. ACCEPTANCE: I/we accept the above Seller Counter Offer (If checked ☐ SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.  
Buyer [Signature] Date 1/23/2018 Time 4:57 pm AM/PM  
Buyer \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_ AM/PM

CONFIRMATION OF ACCEPTANCE:

[Signature] (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Seller, or Seller's authorized agent as specified in paragraph 2A on (date) 1/24/18 at 11:24 AM PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Seller or Seller's authorized agent whether or not confirmed in this document.

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THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



SCO 11/14 (PAGE 1 OF 1) Print Date Apr 16

MASTER COPY

Exhibit 3



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

CALIFORNIA  
RESIDENTIAL PURCHASE AGREEMENT  
AND JOINT ESCROW INSTRUCTIONS  
(C.A.R. Form RPA-CA, Revised 12/15)

Date Prepared: 01/13/2018

1. OFFER:

- A. THIS IS AN OFFER FROM Eddie Arreola ("Buyer").  
B. THE REAL PROPERTY to be acquired is 14806 Ceres Ave, Fontana, CA 92336-4206, situated in  
Fontana (City), San Bernardino (County), California, 92336-4206 (Zip Code), Assessor's Parcel No. \_\_\_\_\_ ("Property").  
C. THE PURCHASE PRICE offered is Two Hundred Eighty Thousand Dollars \$ 280,000.00

D. CLOSE OF ESCROW shall occur on \_\_\_\_\_ (date) (or ☒ 45 Days After Acceptance).  
E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

- A. DISCLOSURE: The Parties each acknowledge receipt of a ☒ "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).  
B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:  
Listing Agent \_\_\_\_\_ (Print Firm Name) is the agent of (check one):  
☐ the Seller exclusively; or ☐ both the Buyer and Seller.  
Selling Agent Coldwell Banker Top Team (Print Firm Name) (if not the same as the Listing Agent) is the agent of (check one): ☒ the Buyer exclusively; or ☐ both the Buyer and Seller.

C. POTENTIALLY COMPETING BUYERS AND SELLERS: The Parties each acknowledge receipt of a ☒ "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder. \$ 3,000.00

A. INITIAL DEPOSIT: Deposit shall be in the amount of \_\_\_\_\_  
(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, ☐ cashier's check, ☐ personal check, ☐ other \_\_\_\_\_ within 3 business days after Acceptance (or \_\_\_\_\_);

OR (2) ☐ Buyer Deposit with Agent: Buyer has given the deposit by personal check (or \_\_\_\_\_) to the agent submitting the offer (or to \_\_\_\_\_), made payable to \_\_\_\_\_.

The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or \_\_\_\_\_).

Deposit checks given to agent shall be an original signed check and not a copy.

(Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)

B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \_\_\_\_\_ \$ \_\_\_\_\_ within \_\_\_\_\_ Days After Acceptance (or \_\_\_\_\_).  
If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.

C. ☐ ALL CASH OFFER: No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or ☐ Buyer shall, within 3 (or \_\_\_\_\_) Days After Acceptance, Deliver to Seller such verification.

D. LOAN(S): \$ 288,000.00

(1) FIRST LOAN: in the amount of \_\_\_\_\_  
This loan will be conventional financing or ☐ FHA, ☐ VA, ☐ Seller financing (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form AFA), ☐ Other \_\_\_\_\_. This loan shall be at a fixed rate not to exceed \_\_\_\_\_ % or, ☐ an adjustable rate loan with initial rate not to exceed \_\_\_\_\_ %, Regardless of the type of loan, Buyer shall pay points not to exceed \_\_\_\_\_ % of the loan amount.

(2) ☐ SECOND LOAN in the amount of \_\_\_\_\_  
This loan will be conventional financing or ☐ Seller financing (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form AFA), ☐ Other \_\_\_\_\_. This loan shall be at a fixed rate not to exceed \_\_\_\_\_ % or, ☐ an adjustable rate loan with initial rate not to exceed \_\_\_\_\_ %. Regardless of the type of loan, Buyer shall pay points not to exceed \_\_\_\_\_ % of the loan amount.

(3) FHAVA: For any FHA or VA loan specified in 3D(1), Buyer has 17 (or \_\_\_\_\_) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless agreed in writing. A FHAVA amendatory clause (C.A.R. Form FVAC) shall be a part of this Agreement.

E. ADDITIONAL FINANCING TERMS: Buyer will be using a conventional down payment assistance program.

F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \_\_\_\_\_ \$ 11,000.00  
to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

G. PURCHASE PRICE (TOTAL): \$ 280,000.00

Buyer's Initials ( EA )  
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Seller's Initials ( EA ) ( \_\_\_\_\_ )

SUBJECT TO COUNTER OFFER



Coldwell Banker Top Team, 15348 CENTRAL AVE, Chino, CA 91710  
Dimitri Predje

Produced with eSignature by UpLogix 18070 Fremont Rd, Fraser, Michigan 48078 www.uplogix.com

Phone: 424-4453091

Fax 909-406-1921

Eddie Arreola

Exhibit 3



Property Address: 14805 Ceres Ave, Fontana, CA 92335-4206

Date: January 13, 2018

- H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or     ) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (☐ Verification attached.)
- I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or ☐ is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 14B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or     ) Days After Acceptance.
- J. LOAN TERMS:
- (1) LOAN APPLICATIONS: Within 3 (or     ) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (☐ Letter attached.)
- (2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.
- (3) LOAN CONTINGENCY REMOVAL: Within 21 (or     ) Days After Acceptance, Buyer shall, as specified in paragraph 14, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.
- (4) ☐ NO LOAN CONTINGENCY: Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.
- (5) LENDER LIMITS ON BUYER CREDITS: Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.
- K. BUYER STATED FINANCING: Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.
4. SALE OF BUYER'S PROPERTY:
- A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
- OR B. ☐ This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).
5. ADDENDA AND ADVISORIES:
- A. ADDENDA:
- | Addendum #  | (C.A.R. Form ADM)  |
|---|--|
| <input type="checkbox"/> Back Up Offer Addendum (C.A.R. Form BUO)                       | <input type="checkbox"/> Court Confirmation Addendum (C.A.R. Form CCA) |
| <input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWPM) |  |
| <input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA)                          | <input type="checkbox"/> Other   |
- B. BUYER AND SELLER ADVISORIES:
- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA) |   |
| <input type="checkbox"/> Probate Advisory (C.A.R. Form PA)                        | <input type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA) |
| <input type="checkbox"/> Trust Advisory (C.A.R. Form TA)                          | <input type="checkbox"/> REQ Advisory (C.A.R. Form REQ)                         |
| <input type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA)   | <input type="checkbox"/> Other  |
6. OTHER TERMS:
7. ALLOCATION OF COSTS
- A. INSPECTIONS, REPORTS AND CERTIFICATES: Unless otherwise agreed in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.
- (1) ☐ Buyer ☒ Seller shall pay for a natural hazard zone disclosure report, including tax ☒ environmental ☐ Other: \_\_\_\_\_ prepared by \_\_\_\_\_
- (2) ☐ Buyer ☒ Seller shall pay for the following Report Termite clearance and termite report. prepared by \_\_\_\_\_
- (3) ☐ Buyer ☐ Seller shall pay for the following Report \_\_\_\_\_ prepared by \_\_\_\_\_

SUBJECT TO COUNTER OFFER

Buyer's Initials (   JA   )

☒ Seller's Initials (                      ) (                      )

RPA-CA REVISED 12/16 (PAGE 2 OF 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 2 OF 10)

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Edlin Arriola



Exhibit 3

Property Address: 14805 Ceras Ave, Fontana, CA 92335-4206

Date: January 13, 2018

**B. GOVERNMENT REQUIREMENTS AND RETROFIT:**

- (1) ☐ Buyer ☒ Seller shall pay for smoke alarm and carbon monoxide device installation and water heater bracing, if required by Law. Prior to Close Of Escrow ("COE"), Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless Seller is exempt.
- (2) (i) ☐ Buyer ☒ Seller shall pay the cost of compliance with any other minimum mandatory government inspections and reports if required as a condition of closing escrow under any Law.
- (ii) ☐ Buyer ☒ Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards required as a condition of closing escrow under any Law, whether the work is required to be completed before or after COE.
- (iii) Buyer shall be provided, within the time specified in paragraph 14A, a copy of any required government conducted or point-of-sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Property.

**C. ESCROW AND TITLE:**

- (1) (a) ☒ Buyer ☒ Seller shall pay escrow fee Each To Pay Their Own 50/50
- (b) Escrow Holder shall be \_\_\_\_\_
- (c) The Parties shall, within 5 (or \_\_\_\_\_) Days After receipt, sign and return Escrow Holder's general provisions.
- (2) (a) ☐ Buyer ☒ Seller shall pay for owner's title insurance policy specified in paragraph 13E Sellers Choice
- (b) Owner's title policy to be issued by \_\_\_\_\_
- (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

**D. OTHER COSTS:**

- (1) ☐ Buyer ☒ Seller shall pay County transfer tax or fee if Applicable
- (2) ☐ Buyer ☒ Seller shall pay City transfer tax or fee if Applicable
- (3) ☐ Buyer ☒ Seller shall pay Homeowners' Association ("HOA") transfer fee \_\_\_\_\_
- (4) Seller shall pay HOA fees for preparing documents required to be delivered by Civil Code §4525.
- (5) ☐ Buyer ☐ Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.
- (6) Buyer to pay for any HOA certification fee.
- (7) ☐ Buyer ☒ Seller shall pay for any private transfer fee if Applicable
- (8) ☐ Buyer ☐ Seller shall pay for \_\_\_\_\_
- (9) ☐ Buyer ☐ Seller shall pay for \_\_\_\_\_
- (10) ☐ Buyer ☒ Seller shall pay for the cost, not to exceed \$ 450.00, of a standard (or ☒ upgraded) one-year home warranty plan, issued by sellers choice, with the following optional coverages: ☒ Air Conditioner ☐ Pool/Spa ☐ Other: \_\_\_\_\_
- Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.
- OR ☐ Buyer waives the purchase of a home warranty plan. Nothing in this paragraph precludes Buyer's purchasing a home warranty plan during the term of this Agreement.

**8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:**

A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in paragraph 8 B or C.

B. ITEMS INCLUDED IN SALE: Except as otherwise specified or disclosed,

- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water features and fountains, water softeners, water purifiers, security systems/alarms and the following if checked: ☒ all stove(s), except \_\_\_\_\_; ☐ all refrigerator(s) except \_\_\_\_\_; ☐ all washer(s) and dryer(s), except \_\_\_\_\_
- (3) The following additional items: \_\_\_\_\_
- (4) Existing integrated phone and home automation systems, including necessary components such as intranet and internet-connected hardware or devices, control units (other than non-dedicated mobile devices, electronics and computers) and applicable software, permissions, passwords, codes and access information, are (☐ are NOT) included in the sale.
- (5) LEASED OR LIENED ITEMS AND SYSTEMS: Seller shall, within the time specified in paragraph 14A, (i) disclose to Buyer if any item or system specified in paragraph 8B or otherwise included in the sale is leased, or not owned by Seller, or specifically subject to a lien or other encumbrance, and (ii) Deliver to Buyer all written materials (such as lease, warranty, etc.) concerning any such item. Buyer's ability to assume any such lease, or willingness to accept the Property subject to any such lien or encumbrance, is a contingency in favor of Buyer and Seller as specified in paragraph 14B and C.
- (6) Seller represents that all items included in the purchase price, unless otherwise specified, (i) are owned by Seller and shall be transferred free and clear of liens and encumbrances, except the items and systems identified pursuant to 8B(5) and \_\_\_\_\_, and (ii) are transferred without Seller warranty regardless of value.

C. ITEMS EXCLUDED FROM SALE: Unless otherwise specified, the following items are excluded from sale: (i) audio and video components (such as flat screen TVs, speakers and other items) if any such item is not itself attached to the Property, even if a bracket or other mechanism attached to the component or item is attached to the Property; (ii) furniture and other items secured to the Property for earthquake purposes; and (iii) \_\_\_\_\_

\_\_\_\_\_. Brackets attached to walls, floors or ceilings for any such component, furniture or item shall remain with the Property (or ☐ will be removed and holes or other damage shall be repaired, but not painted).

Buyer's Initials ( JA )

☒ Seller's Initials ( JS ) ( \_\_\_\_\_ )

RPA-CA REVISED 12/15 (PAGE 3 OF 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 3 OF 10)

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Edie Arrale



SUBJECT TO COUNTER OFFER

**Exhibit 3**

Property Address: **14805 Ceres Ave, Fontana, CA 92335-4205**

Date: **January 13, 2018**

**9. CLOSING AND POSSESSION:**

- A. Buyer intends (or ☐ does not intend) to occupy the Property as Buyer's primary residence.
- B. Seller-occupied or vacant property: Possession shall be delivered to Buyer: (i) at 6 PM or 10 ☒ AM / ☐ PM on the date of Close Of Escrow; (ii) ☐ no later than        calendar days after Close Of Escrow; or (iii) ☐ at        AM / ☐ PM on       .
- C. Seller remaining in possession After Close Of Escrow: If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as ☐ C.A.R. Form SIP, for Seller continued occupancy of less than 30 days, ☐ C.A.R. Form RLAS for Seller continued occupancy of 30 days or more; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.
- D. Tenant-occupied property: Property shall be vacant at least 5 (or       ) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.

OR ☐ Tenant to remain in possession (C.A.R. Form TJP).

E. At Close Of Escrow, Seller assigns to Buyer any assignable warranty rights for items included in the sale; and Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.

F. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and Intranet and Internet-connected devices included in the purchase price, and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

**10. STATUTORY AND OTHER DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:**

- A. (1) Seller shall, within the time specified in paragraph 14A, Deliver to Buyer: (i) if required by Law, a fully completed: Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) unless exempt, fully completed disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act of 1982 and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or ESD).
- (2) Any Statutory Disclosure required by this paragraph is considered fully completed if Seller has answered all questions and completed and signed the Seller section(s) and the Listing Agent, if any, has completed and signed the Listing Broker section(s), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Nothing stated herein relieves a Buyer's Broker, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Broker.
- (3) Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.
- (4) Within the time specified in paragraph 14A, (i) Seller, unless exempt from the obligation to provide a TDS, shall, complete and provide Buyer with a Seller Property Questionnaire (C.A.R. Form SPQ); (ii) if Seller is not required to provide a TDS, Seller shall complete and provide Buyer with an Exempt Seller Disclosure (C.A.R. Form ESD).
- (5) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory, Lead and other disclosures to Seller.
- (6) In the event Seller or Listing Broker, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.
- (7) If any disclosure or notice specified in paragraph 10A(1), or subsequent or amended disclosure or notice is Delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After Delivery in person, or 5 Days After Delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent.
- B. NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS: Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet, and home energy rating pamphlet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- C. WITHHOLDING TAXES: Within the time specified in paragraph 14A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).
- D. MEGAN'S LAW DATABASE DISCLOSURE: Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at [www.meganslaw.ca.gov](http://www.meganslaw.ca.gov). Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)
- E. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES: This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.
- F. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:

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Buyer's Initials (   *JD*   )  
RPA-CA REVISED 12/15 (PAGE 4 OF 10)

☒ Seller's Initials (   *JK*   ) (        )



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 4 OF 10)

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Eddie Arris

**Exhibit 3**

Property Address: 14805 Ceres Ave, Fontana, CA 92335-4206

Date: January 13, 2018

(2) if the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or     ) Days After Acceptance to request from the HOA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). (vi) private transfer fees; (vii) Pet fee restrictions; and (viii) smoking restrictions. Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

11. **CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.

- A. Seller shall, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.  
B. Buyer has the right to conduct Buyer Investigations of the Property and, as specified in paragraph 14B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.  
C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property Improvements may not be built according to code, in compliance with current Law, or have had permits issued.

12. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**

- A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to: (i) a general physical inspection; (ii) an inspection specifically for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) inspect for lead-based paint and other lead-based paint hazards; (iv) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA); (v) review the registered sex offender database; (vi) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; and (vii) review and seek approval of leases that may need to be assumed by Buyer. Without Seller's prior written consent, Buyer shall neither make nor cause to be made: invasive or destructive Buyer Investigations, except for minimally invasive testing required to prepare a Pest Control Report; or inspections by any governmental building or zoning inspector or government employee, unless required by Law.  
B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 14B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.  
C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.  
D. Buyer Indemnity and seller protection for entry upon property: Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.

13. **TITLE AND VESTING:**

- A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.  
B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.  
C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.  
D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.

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Buyer's Initials (   *JD*   )  
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(   *X*   ) Seller's Initials (   *JD*   ) (      )



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 5 OF 10)

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Eddie Ardele

Exhibit 3

Property Address: 14805 Ceres Ave, Fontana, CA 92335-4208

Date: January 13, 2018

- E. Buyer shall receive a CLTA/ALTA "Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. If not, Escrow Holder shall notify Buyer. A title company can provide information about the availability, coverage, and cost of other title policies and endorsements. If the Homeowner's Policy is not available, Buyer shall choose another policy, instruct Escrow Holder in writing and shall pay any increase in cost.
14. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).
- A. SELLER HAS: 7 (or     ) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5, 6, 7, 8B(5), 10A, B, C, and F, 11A and 13A. If, by the time specified, Seller has not Delivered any such item, Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement.
- B. (1) BUYER HAS: 17 (or     ) Days After Acceptance, unless otherwise agreed in writing, to: (i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(5), and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures and other disclosures Delivered by Seller in accordance with paragraph 10A.
- (2) Within the time specified in paragraph 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.
- (3) By the end of the time specified in paragraph 14B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 14A, then Buyer has 5 (or     ) Days After Delivery of any such items, or the time specified in paragraph 14B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
- (4) Continuation of Contingency: Even after the end of the time specified in paragraph 14B(1) and before Seller cancels, if at all, pursuant to paragraph 14D, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 14D(1).
- (5) Access to Property: Buyer shall have access to the Property to conduct inspections and investigations for 17 (or     ) Days After Acceptance, whether or not any part of the Buyer's Investigation Contingency has been waived or removed.
- C. ☐ REMOVAL OF CONTINGENCIES WITH OFFER: Buyer removes the contingencies specified in the attached Contingency Removal form (C.A.R. Form CR). If Buyer removes any contingency without an adequate understanding of the Property's condition or Buyer's ability to purchase, Buyer is acting against the advice of Broker.
- D. SELLER RIGHT TO CANCEL:
- (1) Seller right to Cancel; Buyer Contingencies: If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
- (2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A, or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by paragraph 3C or 3H; (v) In writing assume or accept leases or liens specified in 8B5; (vi) Return Statutory and Lead Disclosures as required by paragraph 10A(5); or (vii) Sign or Initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 21B; or (viii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
- E. NOTICE TO BUYER OR SELLER TO PERFORM: The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2 (or     ) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 14.
- F. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.
- G. CLOSE OF ESCROW: Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or     ) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.
- H. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit. (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

Buyer's Initials (      )  
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Seller's Initials (      ) (      )



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 6 OF 10)

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Exhibit 3

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Property Address: 14805 Ceres Ave, Fontana, CA 92335-4206

Date: January 13, 2018

16. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (or ☐ ) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 11; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
16. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.
17. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
18. **BROKERS:**
- A. **COMPENSATION:** Seller or Buyer, or both, as applicable, agree to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
- B. **SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
19. **REPRESENTATIVE CAPACITY:** If one or more Parties is signing this Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 31 or 32 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the Trust or Certification Of Trust (Probate Code §18100.6), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).
20. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10C, 13, 14H, 17, 18A, 18, 20, 26, 29, 30, 31, 32 and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 18A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or ☐ ) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 10 or elsewhere in this Agreement.
- B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or Selling Agent ). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 10C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.

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Buyer's Initials ( SA )  
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Seller's Initials ( SA ) ( SA )



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Date: January 13, 2018

- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 18A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 18A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit or down payment is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

**21. REMEDIES FOR BUYER'S BREACH OF CONTRACT:**

- A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.
- B. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Except as provided in paragraph 14H, release of funds will require mutual, signed release instructions from both Buyer and Seller, judicial decision or arbitration award. **AT THE TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM RID).**

Buyer's Initials SA

Seller's Initials        /       

**22. DISPUTE RESOLUTION:**

- A. **MEDIATION:** The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Real Estate Mediation Center for Consumers ([www.consumermediation.org](http://www.consumermediation.org)) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.** Exclusions from this mediation agreement are specified in paragraph 22C.
- B. **ARBITRATION OF DISPUTES:**

The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 22C.

**"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."**

**"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."**

Buyer's Initials SA

Seller's Initials        /       

**C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:**

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.

Buyer's Initials ( SA )

(X) Seller's Initials ( SA ) (        )

RPA-CA REVISED 12/16 (PAGE 8 OF 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 8 OF 10)

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Edie Arriola

**Exhibit 3**

Property Address: 14805 Ceres Ave, Fontana, CA 92335-4206

Date: January 13, 2018

- (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
- (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to this Agreement.
23. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
24. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
25. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 22A.
26. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the separate written consent of Seller to a specified assignee. Such consent shall not be unreasonably withheld. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller, (C.A.R. Form AOA).
27. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
28. **TERMS AND CONDITIONS OF OFFER:**  
This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initiated by all Parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. The Parties have read and acknowledge receipt of a Copy of the offer and agree to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.
29. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.
30. **DEFINITIONS:** As used in this Agreement:
- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.
  - B. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.
  - C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
  - D. "Close Of Escrow", including "COE", means the date the grant deed, or other evidence of transfer of title, is recorded.
  - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
  - F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
  - G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
  - H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
  - I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 10, regardless of the method used (i.e., messenger, mail, email, fax, other).
  - J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
  - K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
  - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
  - M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
31. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by Selling Agent who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by ☐ 12:00 ☒ AM ☒ PM, on January 16, 2018 (date)).

☐ One or more Buyers is signing this Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-B) for additional terms.

Date 1/13/2018

(Print name) Eddie Arreola

Date \_\_\_\_\_ BUYER

(Print name) \_\_\_\_\_

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

☒ Seller's Initials ( EA ) ( SA )

RPA-CA REVISED 12/15 (PAGE 9 OF 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 9 OF 10)

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Eddie Arreola



Exhibit 3

SEEK TO COUNTER OFFER



Property Address: 14805 Cores Ave, Fontana, CA 92335-4206

Date: January 13, 2018

32. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, and agrees to sell the Property on the above terms and conditions. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

☒ (If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED: January 22, 2018

☐ One or more Sellers is signing this Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSDS) for additional terms.

☒ Date 1/23/2018 SELLER Karl Anderson  
(Print name) Karl Anderson, Chapter 7 Trustee

Date \_\_\_\_\_ SELLER \_\_\_\_\_

(Print name) \_\_\_\_\_

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

(\_\_\_\_\_/\_\_\_\_\_) (Do not initial if making a counter offer.) CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) \_\_\_\_\_ at \_\_\_\_\_

(Initials)

☐ AM/ ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

**REAL ESTATE BROKERS:**

A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

B. Agency relationships are confirmed as stated in paragraph 2.

C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.

D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow, the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Listing Broker and Cooperating Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) Coldwell Banker Top Team

By Daniel Frallo CalBRE Lic. # 01853145

CalBRE Lic. # 01238581

By Jeanne Alexander CalBRE Lic. # 01801324

Date 1/13/18

Address 15348 Central Ave

City Chino

State CA Zip 91710-7858

Telephone (626) 665-3082

Fax \_\_\_\_\_

E-mail \_\_\_\_\_

Real Estate Broker (Listing Firm) \_\_\_\_\_

CalBRE Lic. # \_\_\_\_\_

By \_\_\_\_\_

CalBRE Lic. # \_\_\_\_\_

Date \_\_\_\_\_

By \_\_\_\_\_

CalBRE Lic. # \_\_\_\_\_

Date \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip \_\_\_\_\_

Telephone \_\_\_\_\_

Fax \_\_\_\_\_

E-mail \_\_\_\_\_

**ESCROW HOLDER ACKNOWLEDGMENT:**

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of \$ \_\_\_\_\_), counter offer numbers \_\_\_\_\_ ☐ Seller's Statement of Information and \_\_\_\_\_

and agrees to act as Escrow Holder subject to paragraph 20 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is \_\_\_\_\_

Escrow Holder \_\_\_\_\_

Escrow # \_\_\_\_\_

By \_\_\_\_\_

Date \_\_\_\_\_

Address \_\_\_\_\_

Phone/Fax/E-mail \_\_\_\_\_

Escrow Holder has the following license number # \_\_\_\_\_

☐ Department of Business Oversight, ☐ Department of Insurance, ☐ Bureau of Real Estate.

**PRESENTATION OF OFFER:** (\_\_\_\_\_) Listing Broker presented this offer to Seller on \_\_\_\_\_ (date).

Broker or Designee Initials \_\_\_\_\_

**REJECTION OF OFFER:** (\_\_\_\_\_) (\_\_\_\_\_) No counter offer is being made. This offer was rejected by Seller on \_\_\_\_\_ (date).

Seller's Initials \_\_\_\_\_

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RPA-CA REVISED 12/15 (PAGE 10 of 10)

Buyer Acknowledges that page 10 is part of this Agreement (\_\_\_\_\_) (\_\_\_\_\_) Buyer's Initials \_\_\_\_\_

Reviewed by  
Broker or Designee \_\_\_\_\_



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 10 OF 10)

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Eddie Arriola

Exhibit 3



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

## BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA, Revised 11/14)

Property Address: 14805 Ceres Ave, Fontana, CA 92335-4208

(Property).

**1. IMPORTANCE OF PROPERTY INVESTIGATION:** The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

**2. BROKER OBLIGATIONS:** Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as those listed below. If Broker gives you referrals to professionals, Broker does not guarantee their performance.

**3. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE FOLLOWING. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

- A. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and nonstructural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.
- B. SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or markers do not necessarily identify true Property boundaries.
- C. WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.
- D. SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.
- E. WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
- F. ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants).
- G. EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquakes/seismic hazards and propensity of the Property to flood.
- H. FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies.
- I. BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size.
- J. RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements.
- K. SECURITY AND SAFETY:** State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property.
- L. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, law-enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

By signing below, Buyers acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyers are encouraged to read it carefully.

Buyer \_\_\_\_\_

Buyer \_\_\_\_\_

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SUBJECT TO COUNTER OFFER

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



BUYER'S INSPECTION ADVISORY (BIA PAGE 1 OF 1)

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David Fraije

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Eddie Arriola

# Exhibit 3



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**DISCLOSURE REGARDING  
REAL ESTATE AGENCY RELATIONSHIP**

(Selling Firm to Buyer)  
(As required by the Civil Code)  
(C.A.R. Form AD, Revised 12/14)

☐ (If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(k) and (m).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

**SELLER'S AGENT**

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.

(b) A duty of honest and fair dealing and good faith.

(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

**BUYER'S AGENT**

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.

(b) A duty of honest and fair dealing and good faith.

(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

**AGENT REPRESENTING BOTH SELLER AND BUYER**

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

(a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.

(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).

☒ Buyer ☐ Seller ☐ Landlord ☐ Tenant Eddie Arriola Date 1/13/2018

☐ Buyer ☐ Seller ☐ Landlord ☐ Tenant \_\_\_\_\_ Date \_\_\_\_\_

Agent Coldwell Banker Top Team BRE Lic. # 01238581

By Daniel Frajia Real Estate Broker (Firm) BRE Lic. # 01953145 Date 1/13/2018

(Salesperson or Broker-Associate) Daniel Frajia

**Agency Disclosure Compliance (Civil Code §2079.14):**

- When the listing brokerage company also represents Buyer/Tenant: The Listing Agent shall have one AD form signed by Seller/Landlord and a different AD form signed by Buyer/Tenant.
- When Seller/Landlord and Buyer/Tenant are represented by different brokerage companies: (i) the Listing Agent shall have one AD form signed by Seller/Landlord and (ii) the Buyer's/Tenant's Agent shall have one AD form signed by Buyer/Tenant and either that same or a different AD form presented to Seller/Landlord for signature prior to presentation of the offer. If the same form is used, Seller may sign here.

Seller/Landlord \_\_\_\_\_ Date \_\_\_\_\_

Eddie Arriola 1/13/18  
Date

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AD REVISED 12/14 (PAGE 1 OF 2)

SUBJECT TO COUNTER OFFER

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



**CIVIL CODE SECTIONS 2079.24 (2079.18 APPEARS ON THE FRONT)**

2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2285) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensee who performs as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 782.3, or recreational vehicles, as defined in Section 789.28. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 781 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2885, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2346) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14 Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgment of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgment of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgment of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.16 In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16 Reproduced on Page 1 of this AD form.

2079.17 (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.

(DO NOT COMPLETE, SAMPLE ONLY) Is the agent of (check one): ☐ the seller exclusively; or ☐ both the buyer and seller.

(Name of Listing Agent)

(DO NOT COMPLETE, SAMPLE ONLY) Is the agent of (check one): ☐ the buyer exclusively; or ☐ the seller exclusively; or

(Name of Selling Agent if not the same as the Listing Agent)

☐ both the buyer and seller.

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18 No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.



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AD REVISED 12/14 (PAGE 2 OF 2)

**DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 2 OF 2)**

Produced with zipForm® by zipLogic 18070 Pittman Rd, Red, Fresno, Monterey 48028 [www.ziplogic.com](http://www.ziplogic.com)

Edith Arriola

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER  
OR SELLER - DISCLOSURE AND CONSENT**

(C.A.R. Form PRBS, 11/14)

A real estate broker (Broker), whether a corporation, partnership or sole proprietorship, may represent more than one buyer or seller. This multiple representation can occur through an individual licensed as a broker or salesperson or through different individual brokers or salespersons (associate licensees) acting under the Broker's license. The associate licensees may be working out of the same or different office locations.

**Multiple Buyers:** Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

**Multiple Sellers:** Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

**Dual Agency:** If Seller is represented by Broker, Seller acknowledges that broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both seller and buyer in that transaction. If Buyer is represented by Broker, buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both buyer and seller with regard to that property.

In the event of dual agency, seller and buyer agree that: (a) Broker, without the prior written consent of the Buyer, will not disclose to seller that the Buyer is willing to pay a price greater than the offered price; (b) Broker, without the prior written consent of the seller, will not disclose to the buyer that seller is willing to sell property at a price less than the listing price; and (c) other than as set forth in (a) and (b) above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the property to both parties.

**Offers not necessarily confidential:** Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy and the instructions of the seller.

Buyer and seller understand that Broker may represent more than one buyer or more than one seller and even both buyer and seller on the same transaction and consents to such relationships.

Seller and/or Buyer acknowledges reading and understanding this Possible Representation of More Than One Buyer or Seller - Disclosure and Consent and agrees to the agency possibilities disclosed.

⑦ Seller: *[Signature]* Date: 1/23/18  
Seller: \_\_\_\_\_ Date: \_\_\_\_\_  
Buyer: *[Signature]* **Eddie Arreola** Date: 1/13/2018  
Buyer: \_\_\_\_\_ Date: \_\_\_\_\_  
Real Estate Broker (Firm) \_\_\_\_\_ CalBRE Lic # \_\_\_\_\_ Date \_\_\_\_\_  
By \_\_\_\_\_ CalBRE Lic # \_\_\_\_\_ Date \_\_\_\_\_  
Real Estate Broker (Firm) Coldwell Banker Top Team CalBRE Lic # 01238581 Date 1/13/2018  
By *[Signature]* **Daniel Fraijo** CalBRE Lic # 01953145 Date 1/13/2018

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PRBS 11/14 (PAGE 1 OF 1)

**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 1)**

Coldwell Banker Top Team, 15348 CENTRAL AVE Chino CA 91710  
Daniel Fraijo

Produced with xPForm® by xPLogix 18070 Folsom Way Road, Folsom, Michigan 48328 (907) 2-0105-0011

Phone: 6166653082

FAX: 916-466-1911

Eddie Arreola



**Exhibit 3**



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**WIRE FRAUD ADVISORY**  
(C.A.R. Form WFA, 6/16)

Property Address: 14805 Ceres Ave, Fontana, CA 92335-4206 ("Property").

**WIRE FRAUD ADVISORY:**

The ability to communicate and conduct business electronically is a convenience and reality in nearly all parts of our lives. At the same time, it has provided hackers and scammers new opportunities for their criminal activity. Many businesses have been victimized and the real estate business is no exception.

While wiring funds is a welcome convenience, buyers and sellers need to exercise extreme caution. Emails attempting to induce fraudulent wire transfers have been received and have appeared to be legitimate. Reports indicate that some hackers have been able to intercept emailed wire transfer instructions, obtain account information and, by altering some of the data, redirect the funds to a different account. It also appears that some hackers were able to provide false phone numbers for verifying the wiring instructions. In those cases, the buyers called the number provided, to confirm the instructions, and then unwittingly authorized a transfer to somewhere other than escrow. Sellers have also had their sales proceeds taken through similar schemes.

**ACCORDINGLY, BUYERS AND SELLERS ARE ADVISED:**

1. Obtain the phone number of the Escrow Officer at the beginning of the transaction.
2. **DO NOT EVER WIRE FUNDS PRIOR TO CALLING YOUR ESCROW OFFICER TO CONFIRM WIRE INSTRUCTIONS. ONLY USE A PHONE NUMBER YOU WERE PROVIDED PREVIOUSLY.** Do not use any different phone number included in the emailed wire transfer instructions.
3. Orally confirm the wire transfer instruction is legitimate and confirm the bank routing number, account numbers and other codes before taking steps to transfer the funds.
4. Avoid sending personal information in emails or texts. Provide such information in person or over the telephone directly to the Escrow Officer.
5. Take steps to secure the system you are using with your email account. These steps include creating strong passwords, using secure WiFi, and not using free services.

If you believe you have received questionable or suspicious wire instructions, immediately notify your bank, the Escrow Holder and your real estate agent. The sources below, as well as others, can also provide information:

Federal Bureau of Investigation: <https://www.fbi.gov/>

National White Collar Crime Center: <http://www.nw3c.org/>

On Guard Online: <https://www.onguardonline.gov/>

By signing below, the undersigned acknowledge that each has read, understands and has received a copy of this Wire Fraud Advisory.

Buyer: Eddie Arreola Date 1/13/2018

Buyer: \_\_\_\_\_ Date \_\_\_\_\_

ⓧ Seller: Paul T. Arreola ⓧ Date 1/23/18

Seller: \_\_\_\_\_ Date \_\_\_\_\_

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OBJECT TO COMPUTER OFFER

Reviewed by \_\_\_\_\_



WFA 6/16 (PAGE 1 OF 1)

WIRE FRAUD ADVISORY (WFA PAGE 1 OF 1)

Coldwell Banker Top Team, 15348 CENTRAL AVE Chino CA 91710 Phone: 626-603-3912 Fax: 909-606-1921 Eddie Arreola  
Desiree Fraile Produced with zipForm® by zipLogic, 18070 Fifteen Mile Road, Fraser, Michigan 48028 www.ziplogic.com

**Exhibit 3**

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
**100 Spectrum Center Drive, Suite 600, Irvine, CA 92618**

A true and correct copy of the foregoing document entitled (*specify*): **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **March 19, 2018**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **Karl T Anderson (TR)** [edansie@hotmail.com](mailto:edansie@hotmail.com), [kanderson@ecf.epiqsystems.com](mailto:kanderson@ecf.epiqsystems.com) *Chapter 7 Trustee*
- **Richard L Barrett** [thebarrettlawoffice@yahoo.com](mailto:thebarrettlawoffice@yahoo.com) *Attorney for the Debtor*
- **Elyza P Eshaghi** [eeshaghi@shbllp.com](mailto:eeshaghi@shbllp.com), [avernon@shbllp.com](mailto:avernon@shbllp.com) *Attorney for Chapter 7 Trustee*
- **Leonard M Shulman** [lshulman@shbllp.com](mailto:lshulman@shbllp.com) *Attorney for Chapter 7 Trustee*
- **United States Trustee (RS)** [ustregion16.rs.ecf@usdoj.gov](mailto:ustregion16.rs.ecf@usdoj.gov) *United States Trustee*
- **Johnny White** [JWhite@wrslawyers.com](mailto:JWhite@wrslawyers.com), [aparisi@wrslawyers.com](mailto:aparisi@wrslawyers.com) *NEF Requested*

☐ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) **March 19, 2018**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) **Not Applicable**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

**March 19, 2018**  
Date

**Lorre Clapp**  
Printed Name

**/s/ Lorre Clapp**  
Signature

**U.S. MAIL SERVICE LIST**

**Judge's Copy**

Hon Wayne E Johnson, US Bankruptcy Court, 3420 Twelfth Street, Suite 384, Riverside, CA 92501

**Debtor**

Griselda Rios, 14805 Ceres Avenue, Fontana, CA 92335

**Buyer**

Eddie Arreola, 1100 E. Badillo Street, Apt A, Covina, CA. 91724-3004

**Buyer's Agent/Broker**

Coldwell Banker Top Team, Daniel Fraijo, 15348 Central Avenue, Chino, CA 91710-7658

**Trustee's Agent/Broker**

Richard A. Halderman, Jr., 3857 Birch Street, Suite 480, Newport Beach, CA 92660

**Lien Holder**

PNC Bank Mortgage Services, Attn President or Manager Agent, PO Box 1820, Dayton, OH 45401

**Lien Holder**

Bank of America, Attn President or Manager Agent, PO Box 982235, El Paso, TX 79998

**Tax Collector**

San Bernardino County Treasurer/Tax Collector, 268 W. Hospitality Lane, First Fl, San Bernardino, CA 92415

**Creditors and Parties in Interest**

**DEBTOR**

GRISELDA RIOS  
14805 CERES AVENUE  
FONTANA, CA 92335-4206

**COURT MAILING LIST**

EMPLOYMENT DEVELOPMENT DEPT.  
BANKRUPTCY GROUP MIC 92E  
P.O. BOX 826880  
SACRAMENTO, CA 94280-0001

**COURT MAILING LIST**

FRANCHISE TAX BOARD  
BANKRUPTCY SECTION MS: A-340  
P.O. BOX 2952  
SACRAMENTO, CA 95812-2952

**COURT MAILING LIST**

ARROWHEAD CU  
PO BOX 735  
SAN BARNARDINO, CA 92402-0735

**COURT MAILING LIST (PREFERRED)**

ARROWHEAD CREDIT UNION  
PO BOX 4100  
RANCHO CUCAMONGA CA 91729-4100

**COURT MAILING LIST (PREFERRED)**

BANK OF AMERICA  
ATTN PRESIDENT OR MANAGER AGENT  
PO BOX 982238  
EL PASO TX 79998-2238

**COURT MAILING LIST**

BEST BUY/ CITI BANK NA  
PO BOX 6497  
SIOUX FALLS, SD 57117-6497

**COURT MAILING LIST**

CHASE/BANK ONE CARD  
PO BOX 15298  
WILMINGTON, DE 19850-5298

**COURT MAILING LIST**

COMENITY BANK/LNBRYANT  
PO BOX 182789  
COLUMBUS, OH 43218-2789

**COURT MAILING LIST**

DSNB/MACYS  
PO BOX 8218  
MASON, OH 45040-8218

**COURT MAILING LIST**

KOHL'S DEPARTMENT STORE  
PO BOX 3115  
MILWAUKEE, WI 53201-3115

**PROOF OF CLAIM FILED**

CAPITAL ONE, N.A.  
BECKET AND LEE LLP  
POB 3001  
MALVERN, PA 19355-0701



**COURT MAILING LIST**

PNC BANK MORTGAGE SERVICES  
PO BOX 1820  
DAYTON, OH 45401-1820

**COURT MAILING LIST**

SYNCB/ASHLEY HOMESTORES  
PO BOX 965036  
ORLANDO, FL 32896-5036

**COURT MAILING LIST**

THE HOME DEPOT/CBNA  
PO BOX 6497  
SIOUX FALLS, SD 57117-6497

**PROOF OF CLAIM FILED**

CAPITAL RECOVERY V LLC  
C/O RECOVERY MANAGEMENT  
SYSTEMS CORPORATION  
25 SE 2ND AVENUE SUITE 1120  
MIAMI, FL 33131-1605

**INTERESTED PARTY**

UNITED STATES TRUSTEE (RS)  
3801 UNIVERSITY AVENUE, SUITE 720  
RIVERSIDE, CA 92501-3200

RETURNED MAIL

**SEE NEF**

**ATTORNEY FOR THE DEBTOR**

RICHARD L BARRETT  
3780 TWELFTH ST  
RIVERSIDE, CA 92501-3843

**PROOF OF CLAIM FILED**

PYOD LLC ITS SUCCESSORS AND  
ASSIGNS AS ASSIGNEE OF CITIBANK NA  
RESURGENT CAPITAL SERVICES  
PO BOX 19008  
GREENVILLE, SC 29602

**COURT MAILING LIST**

SYNCB/JC PENNEY  
PO BOX 965007  
ORLANDO, FL 32896-5007

**NOTICE PURPOSES**

INTERNAL REVENUE SERVICE  
CENTRALIZED INSOLVENCY OPERATIONS  
PO BOX 7346  
PHILADELPHIA PA 19101-7346

**PROOF OF CLAIM FILED**

CAPITAL RECOVERY V LLC  
C/O RECOVERY MANAGEMENT  
SYSTEMS CORPORATION  
25 SE 2ND AVENUE SUITE 1120  
MIAMI, FL 33131-1605

**UNDELIVERABLE**

**COURT MAILING LIST**

RIVERSIDE DIVISION  
3420 TWELFTH STREET,  
RIVERSIDE, CA 92501-3819

**PROOF OF CLAIM FILED**

QUANTUM3 GROUP LLC AS AGENT FOR  
COMENITY BANK  
PO BOX 788  
KIRKLAND, WA 98083-0788

**COURT MAILING LIST**

SYNCB/SAMS CLUB DUAL CARD  
PO BOX 965005  
ORLANDO, FL 32896-5005

**PROOF OF CLAIM FILED**

CAPITAL RECOVERY V LLC  
C/O RECOVERY MANAGEMENT SYSTEMS  
CORPORATION  
25 SE 2ND AVENUE SUITE 1120  
MIAMI, FL 33131-1605

**PROOF OF CLAIM FILED**

CITIBANK NA C/O  
QUANTUM3 GROUP LLC  
PO BOX 280  
KIRKLAND, WA 98083-0788

**DUPLICATE SEE PREFERRED ADDRESS**

**COURT MAILING LIST**

BANK OF AMERICA  
PO BOX 982235  
EL PASO, TX 79998